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MFN STATUS FOR ROMANIA

HEARING

BEFORE THE

SUBCOMMITTEE ON INTERNATIONAL TRADE

OF THE

COMMITTEE ON FINANCE

UNITED STATES SENATE

NINETY-NINTH CONGRESS

SECOND SESSION

ON

S. 1492 and S. 1817

AUGUST 1, 1986

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MOST-FAVORED-NATION STATUS FOR ROMANIA

FRIDAY, AUGUST 1, 1986

U.S. SENATE,
SUBCOMMITTEE ON INTERNATIONAL TRADE,
COMMITTEE ON FINANCE,
Washington, DC.

The committee was convened, pursuant to notice, at 9 a.m. in room SD-215, Dirksen Senate Office Building, Hon. John C. Danforth (chairman) presiding.

Present: Senators Danforth, Chafee, Heinz, Wallop, Grassley, and Bradley.

[The press release announcing the hearing and the prepared statements of Senators Heinz, Grassley, and Bradley follow:]

[Press Release No. 86-063, July 16, 1986]

FINANCE COMMITTEE RESETS DATE FOR SUBCOMMITTEE HEARING ON MOST-FAVORED-NATION STATUS FOR ROMANIA

A hearing on S. 1817 and S. 1492, relating to withdrawal of most-favored-nation trade status for Romania, has been rescheduled by the Senate Committee on Finance, Chairman Bob Packwood [R-Oregon] announced today.

Senator Packwood said that the hearing before the Committee's Subcommittee on International Trade originally scheduled for Monday, July 28 at 2:00 p.m. will instead be held on Friday, August 1, 1986 at 9:30 a.m.

The hearing will be held in room SD-215 of the Dirksen Senate Office Building. Senator John C. Danforth [R-Missouri], Chairman of the Subcommittee on International Trade, will preside.

ALFONSE M. D'AMATO
CHAIRMAN

STENY H. HOYER
CO-CHAIRMAN

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SECURITY AND COOPERATION IN EUROPE
CONGRESS OF THE UNITED STATES
WASHINGTON, DC 20515

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August 1, 1986

Testimony Submitted to the Senate Subcommittee
on International Trade
by
THE HONORABLE JOHN HEINZ,
U.S. SENATOR FROM PENNSYLVANIA
AND MEMBER,
U.S. COMMISSION ON SECURITY AND COOPERATION IN EUROPE

Mr. Chairman, I am pleased to participate once again in the Committee's Most-Favored Nation hearings. I am speaking today as a member of both the Finance Committee and the U.S. Commission on Security and Cooperation in Europe.

It is fitting that this Subcommittee should convene on August 1, the anniversary of the signing of the Final Act of the Conference on Security and Cooperation in Europe. By holding the hearings on this anniversary we reconfirm our commitment to uphold human rights and to hold every Helsinki Final Act signatory accountable for its violations of fundamental human rights.

Yet August 1 is a bittersweet day for human rights activists. On this day eleven years ago, the heads of state of 35 countries signalled their commitment to uphold universal humanitarian principles. Today we look back on the record of compliance with the Helsinki principles and see that it is mixed, at best. For many of us, the results have been disappointing. The subject of our hearings today elicits the same mixed emotions and the same deep sense of disappointment over the gap between words and deeds undertaken by some of the Helsinki signatories.

Each year the MFN deliberations go well beyond mere numbers of emigrants to less quantifiable issues of human rights. The freedoms of conscience, speech and assembly are as dear to us as the freedom of movement that is explicitly included in the Jackson-Vanik Amendment; religious and minority rights are equally precious and should be safeguarded. The question is not whether Jackson-Vanik embraces these human rights, but rather how it can best be utilized to safeguard them.

While today's hearing will focus on Romania, Hungary also enjoys MFN status under the terms of Jackson-Vanik. Let me take this opportunity to say that the Commission continues to be disturbed by signs of a hardening attitude toward free expression in Hungary during the last year. Hungarian citizens who express independent views by publishing their independent journals or participating in peaceful demonstrations have been increasingly subject to various forms of harassment and persecution and therefore must carry out their activities in a much less open manner. And while family reunification cases between Hungary and the United States continue to be resolved without difficulty, Hungary still retains restrictive emigration laws that may inhibit Hungarian citizens from applying to emigrate and could create problem cases in the future. These difficulties are detailed in the Annex to my statement.

We should not ignore these problems, even if they are mild relative to those of other Warsaw Pact states, and I join the Commission's Co-Chairman, Representative Steny Hoyer, in urging the Hungarian Government to cease taking actions against those individuals who act upon their rights as expressed in the Helsinki Final Act.

Romania continues to violate the most basic human rights of its citizens in spite of the international human rights accords it has signed. Its emigration laws and practices are highly restrictive; its treatment of ethnic Germans and Hungarians increasingly discriminatory; its persecution of believers who trespass the closely circumscribed bounds of official policy on religion blatant and persistent.

Nevertheless, due to Congressional leverage, Romania has resolved a substantial number of emigration cases. The Commission presents lists to the Romanian government at least four times a year, containing family visit, family reunification, marriage and dual national cases. Recently we have seen an increase in the rate of approvals and final resolutions of the cases we have raised on those lists. Of a total of 271 cases presented on our June 1985 list, 125 have been resolved, meaning the persons involved have left Romania, and 71 have been approved. These resolutions and approvals represent 70% of the cases on the list. This is a marked increase over the 50% of the June 1984 list approved and resolved by this time last year.

The Romanian emigration application process continues to be arduous and discouraging, and the 1986 figures for Jewish emigration to Israel have been disappointing. However, following the agreement worked out last summer by Ambassador Derwinski and Romanian authorities, the Commission has received fewer reports of harassment and discrimination against would-be emigrants to the United States.

In June of this year, the Romanian authorities declared an amnesty which would free some prisoners of conscience in whom the Commission and many Congressmen have expressed interest. Likewise, recently the authorities granted exit visas to a few scholars who had applied repeatedly to participate in international conferences and exchanges outside Romania.

The Commission is not satisfied with the limited gestures made to date by the Romanian authorities. Concrete progress in the broad areas of concern set out in the Pressler and Yatron resolutions passed by the Congress is still necessary to allay Congressional concerns.

In particular, the Romanian regime should finalize arrangements with its Baptist, Hungarian Reformed and other citizens who seek more Bibles. Second, it should act quickly to resolve longstanding family reunification and other humanitarian cases, such as that of Napoleon Fodor, which enjoy broad support in the United States. Third, the Romanian authorities should release prisoners of conscience whose fate is of concern, including: Bela Pal, Laszlo Buzas and Erno Borbely. And Romania must cease demolition of religious buildings, particularly those with strong historical and community value, such as the Spanish synagogue in Bucharest which was razed only last week despite the protests of the Romanian and American Jewish communities.

Over the last decade, on balance, Jackson-Vanik has been a useful tool of human rights leverage, although it has never achieved the sorts of systemic changes which some members of Congress would favor. Yet Jackson-Vanik has helped ease the circumstances of some prisoners of conscience, and the treatment of some religious and minority groups. Congress has sent Bucharest the message that this is not enough.

The Commission shares the frustration and anger of the U.S. Congress as its surveys the human rights situation in Romania. Nevertheless, the existing Jackson-Vanik tool should not be discarded without carefully examining the very serious repercussions suspension or revocation might have on the human rights situation in Romania and on the ability of the U.S. Congress effectively to pursue its human rights concerns with Romanian representatives. If MFN is revoked today, what do we do about the divided family that turns to us for help tomorrow? How would revocation of MFN increase our human rights leverage in a practical sense? I think we have yet to hear a satisfactory solution to this problem from those who advocate revocation.

In conclusion, the Commission urges the Romanian Government to act quickly to institute significant improvements in the areas of religious and minority rights, prisoners of conscience and treatment of emigration applicants. The narrow rejection of the Crane resolution denying MFN status to Romania in the House on Tuesday clearly demonstrates that if Romania is to preserve its MFN status, it must act now.

ALFONSE M. D'AMATO
CHAIRMAN

STENY H. HOYER
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ANNEX

Hungarian Emigration and Human Rights Performance

Emigration

Over the past year, the Hungarian Government consistently has resolved family reunification cases involving the United States. The number of cases at any particular time between the two countries has never been high, but the Hungarian authorities' continual resolution of outstanding cases in the last three years reflects Hungary's evident determination to preclude family reunification problems from troubling bilateral relations. There are no systematic official sanctions imposed on persons who seek to emigrate, and emigration fees are reasonable.

Despite their admittedly liberal practices, Hungary's emigration laws remain restrictive, even as compared to those of other East Bloc nations. A person can normally apply to emigrate only if joining a parent, spouse or child abroad. However, the law provides for exceptions in individual cases, and the majority of Hungarians who are eligible to apply to emigrate for the purposes of family reunification receive permission. Persons who are refused permission to emigrate may appeal and reapply.

There are several official reasons given for refusing emigration permission:

-- Requesting emigration to join a relative remaining abroad illegally for a period of less than five years (or for whose illegal absence one is responsible);

-- Lack of permission from the Ministry of Defense in the case of males of military age who have not partly or completely fulfilled their military obligation (Some male applicants of military age have been given exit permits for tourist travel.);

-- Requesting emigration to join a relative not prescribed by law;

-- Not having attained the legal minimum age for emigration (55); and

--Being contrary to the public interest.

Despite the current flexibility in applying these laws, they may inhibit some Hungarian citizens from applying to leave the country and could give rise to problem cases in the future.

Human Rights

Although Hungary is more tolerant of expressions of dissent than other East Bloc countries, recent events give cause for concern. Since December 1982, citizens engaged in unofficial (*samizdat*) publishing and other dissident activities have been victims of government harassment in the form of apartment and automobile searches, short-term detention for questioning, police reprimands and heavy fines. There have been instances of more severe treatment as well. The net effect of this harassment has been that the group of dissident intellectuals, who refer to themselves as the "democratic opposition," now carry on their activities in a much less open manner. There is no longer any central place where *samizdat* may be obtained, and the publication and distribution of popular *samizdat* journals have been interrupted on numerous occassions.

Leading up to the Budapest Cultural Forum, the Hungarian authorities appeared to be loosening the reins on the democratic opposition as the harassment of individuals became less frequent. During the Forum, however, the Hungarians reneged on their commitment to follow the Madrid precendent regarding NGO activities by refusing to permit the International Helsinki Federation to hold a cultural symposium in a reserved hotel room. Due to the tenacity of the participants and the volume of public opinion, the symposium nevertheless was allowed to continue on private premises.

Following the close of the Cultural Forum, many feared that, as the international spotlight left Budapest, Hungarian controls might tighten again. Barely two days after the Forum closed, 36 year-old Sandor Lezsak was accused of "counter-revolutionary activities" and dismissed from his job as the director of the cultural center in the village of Lakitelek. The apparent reason for his dismissal was that he organized an unofficial poetry gathering and exhibition on graphic art on October 22, while the Forum was underway.

Although many of the prominent dissident intellectuals previously denied permission to travel to the West were suddenly granted that permission in late 1985 and early 1986, actions against lesser-known individuals continued. On January 16, police ransacked the home of Jeno Nagy, a publisher of *samizdat.* A number of publications and manuscripts were confiscated following the seven-hour search. On February 26, he was fined for violation of the press law. Two days later he was taken to a police station for further questioning. His apartment was searched again on March 11 and a third time on April 1. Subsequent charges of violating the press law have resulted in additional heavy fines. On March 3 and March 11, police raided the apartment of Gyorgy Gado, who was fined for violation of the press law as well. Then, on April 1, along with the third raid on Nagy's apartment, the police entered another apartment and found Miklos Sulyok and Istvan Csorba printing *samizdat.* Not only all publications but all printing equipment was confiscated. Later that day, Sulyok was further harassed by police in downtown Budapest. Both men have been fined for violation of the press law.

More recently, the work of leading Hungarian writer/playwright Istvan Csurka reportedly has been banned from publication because of statements he made while visiting the West. And the entire board of editors of the journal Tiszataj has been fired and the further publication of the journal stopped because of the appearance of several controversial articles.

In addition, a new, strengthened press law was adopted by the Hungarian parliament on March 21 and will go into effect on September 1. It reportedly provides a firmer basis for levying heavy fines without court proceedings on anyone having in their possession even one copy of unofficially-printed material. The police also have the power to confiscate any typewritten or photocopied text during a house search and, on that basis, bring charges of "preparing an illegal publication." In recent years, police have also been given greater power to examine the contents of vehicles, to search any person for the purpose of identification, or to conduct an inquiry against him/her without need of a warrant. The length of police surveillance, a form of house arrest, has been expanded from one to two years and exemptions for handicapped persons have been reduced.

The Hungarian Government also has become less tolerant of peaceful demonstrations than in previous years. On February 8, a Hungarian environmental group, joined by a large number of Austrians, marched in Budapest to protest the proposed construction of a Hungarian-Czechoslovak Dam on the Danube River. While the leaders of the group had cancelled the march the day before, under pressure from the authorities, about 80 people decided to proceed with their march. The police moved in and dispersed the group, reportedly using truncheons on some individuals. This was the first time in years that a demonstration or gathering had been broken up.

A March 15 demonstration commemorating the 1848 Hungarian Revolution met the same fate. While this commemoration was tolerated in previous years, this year, as the demonstrators moved from one place to another, they were met by police with truncheons, and many had their identity cards confiscated. Eleven people reportedly were arrested for "disturbing the peace" and another was fined for posessing samizdat. Some participants allegedly were beaten by the police.

MFN HEARING, ROMANIA

AUGUST 1, 1986

SENATOR CHARLES E. GRASSLEY

MR. CHAIRMAN:

I AM DEEPLY TROUBLED BY THE FACT THAT YEAR AFTER YEAR NUMEROUS REPORTS CONTINUE TO REACH US OF CONSTANT ROMANIAN CONTRAVENTION OF UNIVERSALLY RECOGNIZED PRINCIPLES OF HUMAN RIGHTS, WHETHER IN MATTERS OF EMIGRATION, RELIGION, MINORITY RIGHTS OR HUMAN FREEDOMS.

ACCORDING TO THE HELSINKI COMMISSION AND STATE DEPARTMENT FIGURES, ROMANIAN EMIGRATION TO THE UNITED STATES, ISRAEL AND THE FEDERAL REPUBLIC OF GERMANY HAS FALLEN SUBSTANTIALLY FROM LAST YEAR. IN FACT, JUST THIS YEAR ALONE I HAVE RECEIVED LETTERS OF REQUEST FOR ASSISTANCE ON ONE HUNDRED AND FIFTEEN FAMILIES WHO WANT TO LEAVE ROMANIA TO BE REUNITED WITH OTHER FAMILY MEMBERS. I HAVE SENT THESE REQUESTSON TO FORMER AMBASSADOR MILITZA AND AMBASSADOR GAVRILESCU AT THE ROMANIAN EMBASSY.

UNFORTUNATELY, I HAVE YET TO HAVE A POSITIVE RESPONSE ON EIGHTY-FOUR OF THESE CASES.

I AM ALSO CONCERNED, AS ARE SOME OF MY COLLEAGUES, WHO HAVE WRITTEN TO THE ROMANIAN AMBASSADOR RECENTLY ON FOUR POINTS:

ONE, THE DEMOLITION OF CHURCHES BELONGING TO CONGREGATIONS WITHOUT OFFICIAL RECOGNITION;

TWO, LIMITATIONS PLACED ON THE PRINTING AND DISTRIBUTIONS OF BIBLES USED BY CERTAIN DENOMINATIONS;

THREE, THE TREATMENT OF UNRECOGNIZED RELIGIOUS GROUPS AND OF INDIVIDUALS SEEKING TO EMIGRATE, AND

FOUR, CONFIRMATION OF THE WELFARE AND WHEREABOUTS OF CERTAIN PRISONERS WHO MAY HAVE BENEFITED FROM AN AMNESTY DECLARED BY THE ROMANIAN GOVERNMENT ON JUNE 2, 1986.

IN THE GENERAL SPIRIT OF JACKSON-VANIK, BROADER HUMAN RIGHTS CONCERNS HAVE BEEN VOICED IN THE PAST WHEN CONSIDERING MFN RENEWAL FOR ROMANIA. AS IN PAST YEARS, ROMANIA'S HUMAN RIGHTS RECORD HAS BEEN SHARPLY CRITICIZED BY INTERNATIONAL HUMAN RIGHTS ORGANIZATIONS, BY ROMANIAN EMIGRE GROUPS AND THIS YEAR BY SEVERAL MEMBERS OF CONGRESS. AS IN THE PAST I LOOK FORWARD TO THEIR TESTIMONY TODAY.

Opening statement by Senator Bill Bradley at the International Trade Subcommittee of the Senate Finance Committee hearing on extension of Most Favored Nation status for Romania

August 1, 1986

*****

Mr. Chairman, as the Finance Committee considers whether it is right to extend favorable tariff treatment to Romania, I return to the issue of human rights. The U.S. excepts Romania from its laws governing trade with Communist countries. Americans want to show support for a country that, although dominated by the Soviet Union, nevertheless tries to steer an independent course. Independence has meant recognition of Israel and restrictions on certain Warsaw Pact maneuvers inside Romania. But it is coming to include policies that show even more contempt for human rights than does any other Soviet-bloc country.

U.S. trade preferences make a difference: the U.S. imported more from Romania last year than it imported from the Soviet Union, Poland, Czechoslovakia, East Germany, and Bulgaria, combined. The U.S. imported from Romania more than four times as much as it exported to Romania last year. But I fear Romania's trade privileges are now ratifying bald human rights abuses -- abuses which we would not tolerate in subsistence economies threatened by drought, famine, and plague, let alone in a signatory of the Helsinki Accord.

The Bucharest government's treatment of its ethnic Hungarian minority appalls our moral sense because it debases its own citizens and astonishes us because it is needless. Last August a Hungarian newspapaper cited Romanian policies that deny access of ethnic Hungarians to Hungarian schools, break up Hungarian communities by dispersing ethnic Hungarian workers to purely Romanian regions, and block ethnic Hungarians from taking jobs with the state news media.

Recently, 25 Hungarian graduate students protested after none was allowed to return to the main Hungarian province of Romania to teach school. The state disperses Hungarian doctors to remote parts of the country even though there is a shortage of Hungarian doctors in this province. The Committee for Human Rights in Romania says the evidence points to an acceleration of deliberate government policy to deny the identity and rights of ethnic Hungarians as a group: they cite the recent destruction of an ancient Hungarian university, the recent closing of the last Hungarian high school, several Hungarian theaters, and several Hungarian radio stations, in addition to the continuing imprisonment, torture, or harrassment of Hungarian poets, priests, and other leaders.

Last July, the International League for Human Rights testified before this committee on numerous cases where the Romanian government unreasonably denied emigration applications. Some were poignant. Many of these people were very old. What has become of Borislav Nikolin, who is partially paralyzed; Michael Weber, 83 years old, suffering from a stomach disease, and his nearly blind wife Elisabetha; Anna Bieber, 70, suffering arteriosclerosis and myocardial sclerosis and her husbank Jakob, 80, also suffering myocardial sclerosis? What is the point of these denials of emigration to people who need Western medical attention?

Every year, some new gruesome reports emerge. The 48th International PEN conference brought to light two deaths apparently at the hands of the Romanian secret police. Gheorghe Ursu was arrested for writings in a personal diary. His wife was later informed by telephone that she was a widow. Arpad Visky, one of the most prominent Hungarian actors in Romania, was found hanged from a tree by a policeman just minutes after the death. The incident followed several weeks of official intimidation as Visky had applied to emigrate to Hungary. Reports such as these warrant a thorough investigation.

The list of complaints of unexplained disappearances, torture and harrassment of priests, denial of the right to work, supposedly guaranteed in Romania, and forced dislocation seems never to end. I would like to see evidence of improved conditions for the ethnic Hungarian minority in Romania -- including simple access to Hungarian schools and churches; of easier and fairer emigration procedures; of a halt to religious persecution and political imprisonment -- as an integral part of any extension of MFN status for Romania.

Senator **Danforth**. This is the annual hearing conducted by the Finance Committee on the question of most-favored-nation status with Romania. I think it is fair to say that in recent weeks there has been a great burst of concern expressed by a number of people in the Congress relating to the question of most-favored-nation status for Romania and especially their emigration policy, and more generally, religious freedom questions. We were concerned to learn a week or so ago that a synagogue had been bulldozed. There is a growing sence of concern, and even outrage, in the Congress.

There was a very close vote on the floor of the House of Representatives recently relating to this matter. And a number of Members of the Senate have expressed concern to me. Two Members of Congress especially wanted to be here this morning to testify, Senator Trible and Congressman Wolf. However, unfortunately, they cannot be here this morning for the reason that they are attending the funeral of former Governor Dalton of Virginia.

Some 18 Members of the Senate sent a letter a couple of days ago—2 or 3 days ago—to President Ceausescu of Romania, expressing our concerns in a number of pages about some of the specifics of the problem that we see with respect to Romania. I anticipate that this hearing will not be concluded today. As a matter of fact, I know that Senator Trible and Congressman Wolf and perhaps some other Members of Congress—a limited number of other people—might want to testify at a later date, perhaps in a month or so; but we have a full list of witnesses today, a good list of witnesses.

I do want to say this to the people who are in the audience. In past years when we have had this hearing, we have had some unfortunate incidents in the audience, people who have felt that it is not sufficient to allow the witnesses to present their views without people in the audience rising from their seats and demonstrating in one way or another.

That is behavior which is not acceptable to this committee. I will not tolerate it today, and I want you to know that. Any demonstrations will lead to the suspension of our proceedings and the removal of the people responsible from the room. You are guests not only of the Senate but really of the whole country when you are in this room, and I have to insist that proper respect for the Congress and for the Senate must be maintained.

I am happy to have as our first witness today Senator Dodd.

STATEMENT OF HON. CHRISTOPHER J. DODD, U.S. SENATOR FROM THE STATE OF CONNECTICUT

Senator **Dodd**. Thank you, Mr. Chairman, very much. I appreciate the opportunity to appear for the first time as a witness before this committee. I normally am somewhat reluctant to appear before committees because we have the opportunity to share our thoughts and comments with our colleagues personally. So, it is only on the rarest of occasions that I would actually ask to appear before a committee of the Senate of the United States, but I do so, Mr. Chairman, on this particular issue, one that I have been involved in for the entire 12 years that I have been in Congress. I was an active participant in issues involving MFN status for Romania back in my House years and have maintained a strong interest in the issue during these last 5 years—5½ years—here in the Senate.

And because I do think that things have sort of come to a head on this issue, I am imposing upon your patience and the patience of the committee to ask to come before you this morning. I will be very brief. I know you have a long list of witnesses, and I regret that Senator Trible cannot be here. He is the chief author of the legislation, which I think you have already referred to, and I presume he will be presenting testimony, if not in person, at least in written form.

I have followed this issue for years. I appeared on numerous occasions before the House Ways and Means Committee back about 10 years ago when the issue was before the House.

Originally, Mr. Chairman, I didn't come to this issue with any preconceived conclusions at all. For years I raised, along with many others, concerns about the restrictions the Romanian Government applied to the right of emigration and the way it manipulates this issue with what I conclude as utter cynicism.

I also express my very strong concern about the obvious attempt by that government to forcibly assimilate that country's 2 to 2½ million Hungarian minority population, denying them cultural and linguistic rights guaranteed by international agreements, such as the U.N. Covenant on Civil and Political Rights and the Helsinki Agreement. For years, Mr. Chairman, my conclusion was that, while I deplored these violations, I—like I think many others—wanted to give the Romanian Government a chance to improve its performance, and I supported renewal of most-favored-nation status.

I thought that if we just had hearings and if we raised these questions and it was expressed in a very strong bipartisan way—the fact that we would not tolerate these things indefinitely—that that, in and of itself, would be enough to promote the kinds of changes that we were seeking.

By the fourth yearly renewal, however, I came to realize that the government of Romania refused to hear the voice of reason. Over and over again, despite the strong protestations of Democrats and Republicans—instead of improvement, Mr. Chairman, their record on human rights has deteriorated. That was the year, 1979, that I decided that to preserve the integrity of the Jackson-Vanik amendment to Congress' commitment to human rights that we had to break the pattern of perfunctory review and automatic renewal and apply the sanction part of the amendment.

Unfortunately, that position in 1979 did not prevail, as the human rights situation, as I am sure you will hear from some others here today, has continued to deteriorate.

By passing legislation that declares that human rights are an essential element in our relations with any government and by passing the Jackson-Vanik amendment, I believe that we made commitments first of all to the American people. In this room, you will hear, Mr. Chairman, dozens of American citizens—Jewish activists, ethnic and religious leaders—who have every right to expect us—this Government, the Senate—to live up to those commitments.

They speak for the victims of human rights' abuses who cannot be heard here directly today. I hear the argument often that to apply sanctions may make the situation worse, and certainly that argument is not without credibility; and that, in fact, if we impose sanctions, the situation will not only not improve; it may, in fact, grow much worse.

I would ask, rhetorically, however, why is it that we almost never hear this from the victims who are, after all, in the center of this dilemma? We hear that Jackson-Vanik did not work. Well, if we do not apply it, it will, of course, never work. On the other hand, no less authority than Anatoly Shcharansky, who had the chance to strengthen his expertise on the question during his 8 years in the Soviet gulag, emphatically urged all of us—at his recent visit—to retain and preserve the Jackson-Vanik amendment.

Why is it always us who worry about the consequences of taking determined action to validate our commitment to human rights? Shouldn't we start to leave the worrying to the dictators and the torturers?

I am sure you will ask the representatives of the State Department who will testify here: Is there any worry in Bucharest that their brutal policies may lead to their losing the most-favored-nation status? Do they worry at least to the extent that we do? Beyond the general bleakness of life in Romania for every citizen, beyond the present police state, the poverty and shortages that resulted from the regime's hare-brained economic policies, I would like to stress my concern, Mr. Chairman, for two groups of minorities. Although many thousands of Romanian Jews could leave during the past 10 years, emigration is still very restricted. To receive an exit permit usually requires the paying of a heavy bribe. This process is a very lengthy one, designed to slowly bleed the applicant of all of his or her dignity and possessions.

They suffer demotion or dismissal from their jobs, dismissal from schools, loss of housing and citizenship, and denial of food ration cards.

Another group that is singled out for particularly harsh treatment is that country's national minorities, among them the 2 to 2½ million Hungarians. These people are not some sort of intruders in Romania. Their ancestors have lived there for over 11 centuries. That area is their ancient homeland where their culture, tradition, and folklore have developed and flourished.

Today, Romania's regime cannot tolerate any form of diversity, it would appear. It suppresses, not only in politics and social ideas, but in religion, mother tongue, and ethnic tradition as well. The over four centuries old Hungarian University of the region has been practically eliminated. Year after year, more and more Hungarian schools are closed, forcing children to be educated in a language other than that of their mother and of their community.

Museums and archives are closed, and even private collections and libraries are nationalized and confiscated, never to be seen again. Hungarians who speak out against the deliberate destruction of their culture are harassed, imprisoned, beaten, and sometimes even killed.

Our Embassy has confirmed that a Hungarian Catholic priest was beaten to death because in his Christmas sermon he decried the fact that Christmas in Romania, unlike in neighboring Hungary, is an ordinary work day in that country.

Recently, another outrageous abuse came to light which has direct relevance to this hearing. One of my constituents, Mr. Chairman, the Reverend Alexander Havadtoy of Fairfield, CT, has discovered with painstaking detective work that some 20,000 Hungarian Protestant Bibles that were sent to Hungarian Reform Churches by Western sister churches have been recycled into toilet paper by the Romanian Government, an incredibly cruel act of sacrilege.

The relevance to this hearing lies in the fact that those Bibles were allowed into the country, thanks to the efforts of my former colleague and the former chairman of this very subcommittee, Senator Abraham Ribicoff, who worked out such an arrangement for those Bibles so they could be delivered to the country. I don't think, obviously, that the subcommittee should let this affront to a former colleague, someone who served as the chairman of this committee, go unnoticed.

Mr. Chairman, I have to commend—as I mentioned earlier—my colleague, Senator Trible, for his persistence and leadership he has provided on the issue. I regret that he couldn't be with us this morning. I am a cosponsor of his legislation to suspend Romania's most-favored-nation status for 6 months. A procedural motion to bring similar legislation to the House floor was, as you noted earlier, barely defeated this week, after it was brought to the floor with little advance notice.

With the experience of over 10 years of following this issue, Mr. Chairman, I can state with conviction that the time for the passing of this legislation is past due. That is the least we can do to try to moderate the excesses of this cruel dictatorship, and I would urge the committee to report S. 1817 favorably to the Senate.

Mr. Chairman, I might add a side note. I think there is an assumption that somehow this is just a sort of a Romania bashing or bashing the Soviet Union and its satellite states. Lord knows there is enough justification for some of that. This morning, we are in a markup in the Foreign Relations Committee on sanctions in South Africa.

Now, I am not going to suggest to you that we have got absolutely comparable situations, but I do note that, in that instance, we are building a broad-based consensus. We will probably report out of that committee this morning something about 14 to 3 or 15 to 2 a sanctions bill for a situation that we deplore—apartheid—in that country.

This is an issue that is even found to be absolutely abhorrent within the Communist bloc. I was recently in Hungary and met with officials in that country. Now, one of the comments that I received privately over and over again was: Thank you for what you are doing about Romania—the Hungarian minorities in Romania.

This is an issue that deeply disturbs even the political leadership of a Communist country. It is not a question of bashing, as I said earlier, of a Communist bloc nation to try and embarrass them, but one that is even deplored among Communists, if you will, and neighboring states.

As I mentioned earlier, we have certainly tried over the years to improve this situation. And I will guarantee you what is going to happen. What you are going to see, if we haven't already, is that we will see a flurry of activity in the human rights arena where certain people will be released that we have tried to get out for a number of years. There will be some steps taken in the short run, and everyone will breathe a sigh of relief. Statements will be made that the situation is improving once again.

It has been the pattern of behavior for over a decade now. And my hope would be that, at least this once, we might just try a little something different here; 6 months is not an inordinate amount of time to express our deep objection to those things which are occurring in that country.

Mr. Chairman, I thank you very much for your patience.

Senator **Danforth**. Senator Dodd, thank you very much. I think that the parallel that you drew with the situation in the Foreign Relations Committee is very apt. I would say a lot of us in the Congress have had some real qualms about economic sanctions, whether they are efficacious, whether they are the best approach for our country to take; but there are times when we face situations around the world that are abhorrent to everything that we stand for, and the tools that we have are very limited.

I think, as you point out, that a lot of people who have had concerns about the utility of economic sanctions will vote for sanctions against South Africa because it has become very symbolic. And it is a little bit difficult to distinguish between persecution on racial grounds and persecution on religious grounds, at least to me.

So, I think that there is a growing attitude here in Congress that we should be speaking out. For the first time since I have chaired this subcommittee, I think that there is some significant doubt as to whether most-favored-nation status will be continued for Romania. Thank you very much for your testimony.

Senator **Dodd**. Thank you. I appreciate your patience.

Senator **Danforth**. I want to apologize to the audience. I have a phone call that I have to make right now. I will be back in about 2 minutes.

[Whereupon at 9:20 a.m., the hearing was recessed.]

[The prepared written statement of Senator Dodd follows:]

STATEMENT OF SENATOR CHRISTOPHER J. DODD
BEFORE THE INTERNATIONAL TRADE SUBCOMMITTEE OF THE FINANCE COMMITTEE
ON THE MOST FAVORED NATION STATUS OF RUMANIA
AUGUST 1, 1986

MR. DODD: MR. CHAIRMAN, ALTHOUGH I APPEAR BEFORE THIS SUBCOMMITTEE THE FIRST TIME, I HAVE FOLLOWED THIS ISSUE FOR MOST OF MY CONGRESSIONAL CAREER. WHILE A MEMBER OF THE HOUSE, I TESTIFIED BEFORE THE WAYS AND MEANS COMMITTEE SEVERAL TIMES AND SPOKE ON THE FLOOR OF THAT CHAMBER ON THIS SUBJECT.

ORIGINALLY, I HAD NOT COME TO THIS ISSUE WITH ANY PRECONCEIVED CONCLUSIONS. FOR YEARS I RAISED MY CONCERNS ABOUT THE RESTRICTIONS THE RUMANIAN GOVERNMENT APPLIES ON THE RIGHT OF EMIGRATION, AND ABOUT THE WAY IT MANIPULATES THIS ISSUE WITH UTTER CYNICISM. I ALSO EXPRESSED MY STRONG CONCERN ABOUT THE OBVIOUS ATTEMPT BY THAT GOVERNMENT TO FORCIBLY ASSIMILATE THAT COUNTRY'S 2-2.5 MILLION HUNGARIAN MINORITY POPULATION, DENYING THEM CULTURAL AND LINGUISTIC RIGHTS GUARANTEED BY INTERNATIONAL AGREEMENTS SUCH AS THE UN COVENANT ON CIVIL AND POLITICAL RIGHTS AND THE HELSINKI AGREEMENT. FOR YEARS MY CONCLUSION WAS THAT WHILE I DEPLORED THESE VIOLATIONS, I WANTED TO GIVE THE RUMANIAN GOVERNMENT A CHANCE TO IMPROVE ITS PERFORMANCE AND I SUPPORTED RENEWAL OF MFN.

BY THE FOURTH YEARLY RENEWAL I CAME TO REALIZE THAT THE GOVERNMENT OF RUMANIA REFUSES TO HEAR THE VOICE OF REASON. INSTEAD OF IMPROVEMENT, THEIR RECORD ON HUMAN RIGHTS DETERIORATED SHARPLY. THAT WAS THE YEAR, 1979, THAT I DECIDED THAT TO PRESERVE THE INTEGRITY OF THE JACKSON-VANIK AMENDMENT AND OF CONGRESS' COMMITMENT TO HUMAN RIGHTS WE HAD TO BREAK THE PATTERN OF PERFUNCTORY REVIEW AND AUTOMATIC RENEWAL AND APPLY THE SANCTION PART OF THE AMENDMENT. UNFORTUNATELY, THIS POSITION DID NOT PREVAIL AND, PREDICTABLY, THE HUMAN RIGHTS SITUATION IN RUMANIA CONTINUED TO DETERIORATE EVER SINCE.

BY PASSING LEGISLATION THAT DECLARED THAT HUMAN RIGHTS ARE AN ESSENTIAL ELEMENT IN OUR RELATIONS WITH ANY GOVERNMENT AND BY PASSING JACKSON-VANIK, WE MADE COMMITMENTS TO THE AMERICAN PEOPLE. IN THIS ROOM, MR. CHAIRMAN, THERE ARE DOZENS OF AMERICAN CITIZENS, JEWISH ACTIVISTS, ETHNIC AND RELIGIOUS LEADERS WHO HAVE EVERY RIGHT TO EXPECT US TO LIVE UP TO THOSE COMMITMENTS. THEY SPEAK FOR THE VICTIMS OF HUMAN RIGHTS ABUSES WHO CANNOT BE HEARD HERE DIRECTLY.

I HEAR THE ARGUMENT OFTEN THAT TO APPLY SANCTIONS MAY MAKE THE SITUATION WORSE, THAT IT MAY NOT HELP AT ALL. WHY IS IT, THAT WE ALMOST NEVER HEAR THIS FROM THE VICTIMS WHO ARE, AFTER ALL, IN THE CENTER OF THIS DILEMMA. WE HEAR THAT JACKSON-VANIK DID NOT WORK. WELL, IF WE DO NOT APPLY IT, IT WILL NEVER WORK. ON THE OTHER HAND, NO LESSER AUTHORITY THAN ANATOLY SHCHARANSKY, WHO HAD THE CHANCE TO STRENGTHEN HIS EXPERTISE ON THIS QUESTION DURING HIS 8 YEARS IN THE SOVIET GULAG, EMPHATICALLY URGED US TO RETAIN AND PRESERVE THE JACKSON-VANIK AMENDMENT. WHY IS IT ALWAYS US, WHO WORRY ABOUT THE CONSEQUENCES OF TAKING DETERMINED ACTION TO VALIDATE OUR COMMITMENT TO HUMAN RIGHTS? SHOULDN'T WE START TO LEAVE THE WORRYING TO THE DICTATORS, THE TORTURERS? I SUGGEST THAT YOU ASK THE REPRESENTATIVES OF THE STATE DEPARTMENT WHO WILL TESTIFY HERE, IS THERE ANY WORRY IN BUCHAREST THAT THEIR BRUTAL POLICIES MAY LEAD TO THEIR LOSING MFN? DO THEY WORRY AT LEAST TO THE EXTENT WE DO?

BEYOND THE GENERAL BLEAKNESS OF LIFE IN RUMANIA FOR EVERY CITIZEN, THE OMNIPRESENT POLICE-STATE, THE POVERTY AND SHORTAGES THAT RESULTED FROM THE REGIME'S HAREBRAINED ECONOMIC POLICIES, I WOULD LIKE TO STRESS MY CONCERN FOR TWO GROUPS OF MINORITIES. ALTHOUGH MANY THOUSANDS OF RUMANIAN JEWS COULD LEAVE DURING THE PAST TEN YEARS, EMIGRATION IS STILL RESTRICTED. TO RECEIVE AN EXIT PERMIT USUALLY REQUIRES THE PAYING OF A HEAVY BRIBE. THE PROCESS IS VERY LENGTHY DESIGNED TO SLOWLY BLEED THE APPLICANT OF ALL HIS OR HER DIGNITY AND POSSESSIONS. THEY SUFFER DEMOTION OR DISMISSAL FROM JOBS, DISMISSAL FROM SCHOOLS, LOSS OF HOUSING AND CITIZENSHIP AND DENIAL OF FOOD RATION CARDS.

THE OTHER GROUP THAT IS SINGLED OUT FOR PARTICULARLY HARSH TREATMENT IS THAT COUNTRY'S NATIONAL MINORITIES, AMONG THEM 2-2.5 MILLION HUNGARIANS. THESE PEOPLE ARE NOT SOME SORT OF INTRUDERS, THEIR ANCESTORS HAVE LIVED THERE FOR OVER 11 CENTURIES, THAT AREA IS THEIR ANCIENT HOMELAND WHERE THEIR CULTURE, TRADITION AND FOLKLORE HAVE DEVELOPED AND FLOURISHED. TODAY'S RUMANIAN REGIME CANNOT TOLERATE ANY FORM OF DIVERSITY, IT SUPPRESSES IT NOT ONLY IN POLITICS AND SOCIAL IDEAS BUT IN RELIGION, MOTHER TONGUE AND ETHNIC TRADITION AS WELL. THE OVER 4 CENTURIES OLD HUNGARIAN UNIVERSITY OF THE REGION HAS BEEN PRACTICALLY ELIMINATED. YEAR AFTER YEAR MORE AND MORE HUNGARIAN SCHOOLS ARE CLOSED FORCING CHILDREN TO BE EDUCATED IN A LANGUAGE OTHER THAN THAT OF THEIR MOTHER AND COMMUNITY. MUSEUMS, ARCHIVES ARE CLOSED AND EVEN PRIVATE COLLECTIONS AND LIBRARIES ARE NATIONALIZED AND CONFISCATED NEVER TO BE SEEN AGAIN. HUNGARIANS WHO SPEAK OUT AGAINST THE DELIBERATE DESTRUCTION OF THEIR CULTURE ARE HARASSED, IMPRISONED, BEATEN AND EVEN KILLED. OUR EMBASSY HAS CONFIRMED THAT A HUNGARIAN CATHOLIC PRIEST WAS BEATEN TO DEATH BECAUSE IN HIS CHRISTMAS SERMON HE DECRIED THE FACT THAT CHRISTMAS IN RUMANIA, UNLIKE IN NEIGHBORING HUNGARY, IS AN ORDINARY WORKDAY.

RECENTLY ANOTHER OUTRAGEOUS ABUSE CAME TO LIGHT WHICH HAS DIRECT RELEVANCE TO THIS HEARING. ONE OF MY CONSTITUENTS, THE REVEREND ALEXANDER HAVADTOY OF FAIRFIELD, CONNECTICUT, HAS DISCOVERED WITH PAINSTAKING DETECTIVE WORK, THAT 20,000 HUNGARIAN PROTESTANT BIBLES THAT WERE SENT TO HUNGARIAN REFORMED CHURCHES BY WESTERN SISTER CHURCHES HAVE BEEN RECYCLED INTO TOILET PAPER BY THE RUMANIAN GOVERNMENT, AN INCREDIBLY CRUEL ACT OF SACRILEGE. THE RELEVANCE TO THIS HEARING LIES IN THE FACT THAT THOSE BIBLES WERE ALLOWED INTO THE COUNTRY THANKS TO THE EFFORTS OF THE FORMER CHAIRMAN OF THIS SUBCOMMITTEE SENATOR RIBICOFF, MY PREDECESSOR AS A SENATOR FROM CONNECTICUT. I DO NOT THINK THAT THE SUBCOMMITTEE SHOULD LET THIS AFFRONT PASS WITHOUT ANY REACTION.

MR. CHAIRMAN I HAVE TO COMMEND MY COLLEAGUE, SENATOR TRIBLE FOR THE PERSISTENCE AND LEADERSHIP HE PROVIDED US ON THIS ISSUE. I AM A COSPONSOR OF HIS LEGISLATION TO SUSPEND RUMANIA'S MFN STATUS FOR 6 MONTHS. A PROCEDURAL MOTION TO BRING SIMILAR LEGISLATION TO THE HOUSE FLOOR WAS BARELY DEFEATED THIS WEEK AFTER IT WAS BROUGHT TO THE FLOOR WITH LITTLE ADVANCE NOTICE. WITH THE EXPERIENCE OF OVER TEN YEARS FOLLOWING THIS ISSUE I CAN STATE WITH CONVICTION THAT THE TIME FOR APPROVAL OF THIS LEGISLATION IS PAST DUE, THAT IT IS THE LEAST WE COULD DO TO TRY TO MODERATE THE EXCESSES OF THIS CRUEL DICTATORSHIP. I STRONGLY URGE THE SUBCOMMITTEE TO REPORT S.1817 FAVORABLY TO THE SENATE.

THANK YOU.

AFTER RECESS

Senator **Danforth**. Are Congressman Hall and Congressman Smith here, please? Thank you.

Gentlemen, thanks a lot for being here.

Congressman **Smith**. Thank you, Senator.

Senator **Danforth**. Who would like to go first?

Congressman **Smith**. I would. I do have a markup in the Foreign Affairs Committee, which I will need to get back for.

Senator **Danforth**. All right. Please proceed.

STATEMENT OF HON. CHRISTOPHER H. SMITH, U.S. REPRESENTATIVE FROM THE STATE OF NEW JERSEY

Congressman **Smith**. Thank you, Mr. Chairman. First of all, I want to thank you for the opportunity to be here today to testify on this very important issue. For many of us in the House—Mr. Hall, Mr. Wolf, and I—the issue of Romania has become a very high priority over the last several months. It has been a little over a year since I got involved in this issue, and we have been working on it ever since.

About 1 year ago, Mr. Chairman, Mr. Hall, Mr. Wolf, and I traveled to Romania in order to gather information and impressions regarding human rights and religious freedom in that country. We met with high government leaders, including then Foreign Minister Stefan Andrea and other religious leaders.

The discussions were candid and, at times, were provocative. We were treated with diplomatic courtesy, and I know we all appreciated their hospitality; but we came away from that country very deeply concerned. Our concern includes the systematic persecution of Christians, the bulldozing of churches, and other repressive actions by the Government.

I was moved by numerous accounts of believers who sacrificed a great deal in order to cling to their faith and their principles. Mr. Chairman, I believe the human rights are indivisible. They are God-given; they are not manmade. For this reason, I believe that respect for the human rights of their citizens by the countries of the world is not optional. Clearly, it is fundamental and the only legitimate basis for genuine trust and friendship in bilateral relations. While the Jackson-Vanik provisions of the 1974 Trade Act cites emigration policy as the chief criteria for conferrence of MFN, I believe that the broad array of interlocking human rights must not be overlooked or trivialized.

Indeed, the lives and futures of thousands depend on how well we utilize the considerable leverage that is at our disposal. I think it is significant that, when the President reported to Congress on June 3 that he had decided to continue MFN for Romania for another year, he admitted that he made that determination with great difficulty. Furthermore, the President noted that he was "disappointed by the Romanian Government's very limited response to numerous expressions of strong U.S. public support, congressional and administration concern about Romania's performance in areas of human rights and religious issues."

As stated, the President "shares the strong concerns manifested among the public and in Congress regarding the Romanian Government's restrictions on religious liberties."

Mr. Chairman, it is sad but it is a true fact that the Communist authorities in Bucharest continue to restrict and control the rights of religion, free speech, free assembly, and association. The Romanian Government officially opposes emigration—as Senator Dodd detailed some of those barriers and some of the harassment encountered by those who seek to emigrate, and there are numerous family reunification cases that still await resolution.

Having said that, Mr. Chairman, let me also note with some guarded optimism that there has been some recent progress in solving some of the hard emigration cases, progress that I hope is not intended just to coincide with our Government's review of MFN. Just prior to the June 3 decision by the President, Bucharest officials indicated that over 1,000 of 1,800 pending emigration cases would be solved. Several religious prisoners have been released from jail over the last few months and are emigrating to the West, including Constantin Sfatcu, Dorel Catarama, and Emil Moranu.

In March, Beni and Buni Cocar, both Baptist ministers who had been continually harassed for their faith—men whom we met while we were in Romania—and their efforts to promote the gospel, were given their walking papers and they are now in the United States. Of course, we all celebrated when Father Calciu, who had been imprisoned for about 20 years, was allowed to emigrate last summer to the United States.

Clearly, these developments can be construed as some progress, but many of us who are deeply concerned fear that, once MFN is assured for another year, the Romanians may, as the U.S. Helsinki Watch Committee puts it, "lapse back into its previous disregard for human rights."

Mr. Chairman, I believe a very strong statement was recently made to the Romanian Government and to those in Congress who perhaps are reluctant to recognize the widespread congressional concern with the Romanian Government's policies in emigration, religious liberty, basic human rights and freedom. On Tuesday of this week, a House vote was taken on a motion to discharge a resolution disapproving the President's waiver which provides Romania the much-coveted MFN trading status. Although the motion to table succeeded, the vote was 216 to 190, quite a change from the 1983 vote of 279 to 126 on a similar motion. Mr. Chairman, Members of Congress are much more aware of the real political climate in Romania and are now ready to utilize this leverage of extension of MFN to Romania to pressure the Government to honor its basic commitments according to the Helsinki accords.

Last year, Mr. Hall, Mr. Wolf, and I introduced a bill which would suspend for a period of 6 months the MFN trading status now enjoyed by Romania. 89 members have cosponsored this measure. Mr. Chairman, I urge you and members of this committee to give favorable consideration to the companion bill, S. 1817, that is sponsored by Senator Paul Trible.

Thank you again, Mr. Chairman, for this opportunity to testify.

Senator **Danforth**. Congressman, you have a markup to go to right now? Do you want to leave now, or do you want to wait for your colleague?

Congressman **Smith**. My office just advised me that it has not started yet; there is just some preliminary talk.

Senator **Danforth**. All right.

Congressman **Smith**. I will leave if it starts.

Senator **Danforth**. Thank you very much. Congressman Hall?

[The prepared written statement of Congressman Smith follows:]

TESTIMONY BEFORE THE SUBCOMMITTEE ON INTERNATIONAL TRADE
COMMITTEE ON FINANCE, U. S. SENATE
CONGRESSMAN CHRISTOPHER H. SMITH
AUGUST 1, 1986

Mr. Chairman, I want to thank you and the Members of this Subcommittee for the opportunity to testify regarding a subject which has become a priority for me. While long overdue, I am pleased that the review of the real situation in Romania is beginning to receive a forum among the American public and, most importantly, Members of Congress. The concern for the human rights in Romania, including emigration policy and religious freedom is broad-based, bipartisan, and genuine.

About one year ago, Mr. Hall, Mr. Wolf and I travelled to Romania in order to gather information and impressions regarding human rights and religious freedom. We met with high government leaders including Foreign Minister Stefan Andrei and religious leaders. The discussions were candid and at times provocative. We were treated with diplomatic courtesy and I know we all appreciated their hospitality. But we also came home deeply concerned. Our concern includes the systematic persecution of Chirstians, the bulldozing of churches and other repressive actions by the Government. I was moved by numerous accounts of believers who sacrificed much to cling to their faith and principle.

Mr. Chairman, human rights are indivisible. They are God-given, not man made. For this reason, I believe that respect for the human rights of their citizens by the countries of the world isn't optional. Clearly it is fundamental, and is the only legitimate basis for genuine trust and friendship in bilateral relations. While the Jackson-Vanik provision of the 1974 Trade Act cites emigration policy as the chief criteria for conferrence of MFN, I believe the broad array of interlocking human rights must not be overlooked or trivialized. Indeed, the lives and futures of thousands depend on how well we utilize the considerable leverage at our disposal.

When the President reported to Congress on June 3 that he had decided to continue MFN for Romania for another year, I think it is very significant, Mr. Chairman, that he admitted that he made this determination "with difficulty". Furthermore, the President noted that he was "disappointed by the Romanian government's very limited response to numerous expressions of strong U.S. public, congressional and Administration concern about its performance in areas of human rights and religious issues..."

As stated, the President "share(s) the strong concerns manifested among the public and in Congress regarding the Romanian Government's restricitons on religious liberties."

Mr. Chairman, it is sad but true that the communist authorities in Bucharest continue to restrict and control the right of religion, free speech, free assembly and association. The Romanian government officially opposes emigration and there are numerous family reunifiction cases that still await resolution.

Having said that, Mr. Chairman, let me note with guarded optimism recent progress in solving some of the hard emigration cases-- progress that I hope is not intended just to coincide with our government's review of MFN.

Just prior to the June 3rd decision, Bucharest officials have indicated that over 1000 of the 1800 pending emigration cases would be solved. Several religious prisoners have been released from jail over the last few months and are emigrating to the West, including Constantin Sfatcu, Dorel Catarama, and Emil Moranu. In March, Beni and Buni Cocar, both Baptist ministers who had been continually harrassed for their faith, and efforts to promote the Gospel, were given their walking papers and are now in the U.S. Of course, we all celebrated when Father Calciu, who had been imprisoned a total of 20 years, was allowed to emigrate to the U.S. last summer.

Clearly these developments can be construed as some progress but many of us who are deeply committed to this cause fear that once MFN is assured for another year, the Romanians may, as the U.S. Helsinki Watch Committee puts it, "lapse back into its previous disregard for human rights..."

I believe a very strong statement was recently made to the Romanian government -- and those in Congress who perhaps are reluctant to recognize the widespread congressional concern with the Romanian Government's policy on emigration, religious liberty and basic human rights and freedom. On Tuesday of this week, a House vote was taken on the "motion to table" a "motion to discharge" a resolution disapproving the President's waiver which provides Romania the much-coveted MFN trading status. Although the "motion to table" succeeded, the vote was 216-190 -- quite a change from the 1983 vote of 279-126 on a similar motion. Mr. Chairman, Members of Congress are much more aware of the real political climate in Romania and are ready to utilize this leverage to pressure the Romanian government to honor the basic rights of her people.

Last year, Mr. Hall, Mr. Wolf and I introduced a bill which would suspend for a period of six months the MFN trading status now enjoyed by Romania. Eighty-nine members have cosponsored this measure. Mr. Chairman, I urge you and members of your committee to give favorable consideration to the companion bill, S. 1817, as sponsored by Senator Paul Trible.

STATEMENT OF HON. TONY P. HALL, U.S. REPRESENTATIVE FROM THE STATE OF OHIO

Congressman HALL. Thank you, Mr. Chairman. I do have a statement for the record. I will not read it. I will refer to parts of it, and if it could be made a part of the record, I would appreciate it.

Mr. Chairman, I think my colleague and friend, Congressman Smith, has very well summarized points that he is trying to make and that we have been trying to make—both Congressman Wolf and myself, and Congressman Smith—for many months about the situation in Romania. Last year, on a factfinding mission sponsored by Christian Response International, we did observe first hand what he was talking about. He spoke of churches that were bulldozed. We are aware of over 20,000 bibles that have been turned into toilet paper. We are aware of beatings and torture that go on in various jails around the country relative to human rights violations and religious persecution. At great risk at these churches where we spoke, people would come up with great emotion on their face; and as they would hug us, they would insert into our hands or into our coat pockets various messages telling about the persecution, about themselves, about their wives, about their husbands, about their sons, about their relatives, and various things that have happened to them.

And despite the efforts of my colleagues and me to encourage the Romanian Government to take positive action on specific cases, reports continue to reach us of harassment and repression in the Christian churches; and it has become very clear to us that the Romanian Government would not be moved by mere expressions of concern or bad publicity. They have no shame when it comes to religious repression.

We considered a number of possible options on this issue, and we concluded the only way to really get the attention of the Romanian Government was to try something new and temporarily suspend MFN. Therefore, on October 22, 1985, we introduced a bill, H.R. 3599, to temporarily suspend MFN to Romania for 6 months, and we are pleased that an identical bill has been introduced in the Senate by Senator Paul Trible and Senator William Armstrong. This, of course, is the bill which is pending before the subcommittee.

I believe that there is growing sentiment in the Congress to use the trade leverage that we have with Romania to bring about improvements in human rights in that nation. It is significant, as Congressman Smith has pointed out, that we had a close vote this past week. We received 190 votes to discharge the House Ways and Means Committee of a resolution to disapprove the President's recommendation to extend MFN.

Now, that is very unheard of in the Congress, or at least in the House of Representatives. We very seldom ever discharge a committee; and when the House of Representatives is controlled by the Democrats as it is to receive a significant amount of votes, I thought, was rather surprising.

As a matter of fact, I called up Phil Crane, who is the chief sponsor of the resolution to completely take away MFN. I asked Phil if it was possible for him to delay this vote in order for me to work the Democratic side. However, given the timetable, it couldn't be worked out.

So, we went to the floor. We were a little bit concerned. I had not talked to that first Democrat, and I am not so sure that Chris and Frank had talked to that first Republican, about the issue itself. We went on the floor; we debated the issue, and we came very, very close to taking MFN completely away.

So, we feel that the time is right. We feel that it is certainly justified. We know that this committee is the committee that certainly has the jurisdiction. We appreciate your response to it, and we appreciate the committee's action. We just hope that you will push hard, and hopefully this can become part of law this year where we can suspend MFN to Romania for at least 6 months. Thank you.

Senator DANFORTH. Congressman Hall, thank you very much. The State Department believes that more difficult cases have been resolved this year than ever before. I take it that you either don't agree with that or discount it?

Congressman HALL. It seems—if I may answer, Mr. Chairman—every time Romania gets ready for MFN, they release a few people from jail; they increase their emigration policy. It always comes at the right time. I think the Romanians are very good at PR, unlike many of the other satellite countries of Russia. They seem to have an understanding of how our press works, and they do such things as nobody else in the Soviet bloc countries does. If the Soviet bloc countries are not sending an olympic team, the Romanians will. And so, at least to the Western press, they appear to be not too bad. They appear to be a country that at least is a little bit Westernized, but the fact is—the fact is—that they have one of the strongest secret police of all the Eastern bloc countries, if not the strongest. The fact is that the human rights reports, from even our own State Department, the human rights reports on Romania are among the worst.

But they are very careful, and they are very cognizant of our rules and our legislation over here and how we operate. So, right before MFN comes up every year, they seem to take a few cosmetic steps for us, and they release a few prisoners.

Congressman SMITH. Mr. Chairman, I think it is also noteworthy that perhaps some of these more difficult cases are being solved because they recognize that there is a very determined group of legislators who are going to see this issue through. We are not going to raise this issue and next week on to something else; and where is Romania? But we are going to stay with this, and our hope is that the MFN suspension bill and possible revocation will become a moot point because they will really clean up their act. And that is our greatest hope.

Senator DANFORTH. But if we actually ended their MFN status, they would just drop off the other end of the world.

Congressman SMITH. I think it would not be in their interest to do so. Certainly suspension means that, at the conclusion of the 6 months, MFN could be resumed. The President would have to make a determination according to the Trible bill and our bill, but I think they will realize that they are now under perhaps the closest scrutiny since MFN began. You know, we want to work in a cooperative way. I think that message should be very clear, but w are not going to look the other way when people are being treated so harshly.

Senator DANFORTH. Gentlemen, thank you very much for your testimony. We appreciate your being here.

Congressman SMITH. Thank you.

Congressman HALL. Thank you.

Senator DANFORTH. All right. Let me apologize to the audience. We have this tax conference that is going on now. We are trying to juggle all the balls at the same time. I will be back in a couple of minutes.

[Whereupon, at 9:43 a.m., the hearing was recessed.]

[The prepared written statement of Congressman Hall follows:]

TESTIMONY OF REP. TONY P. HALL
SUBCOMMITTEE ON INTERNATIONAL TRADE
SENATE COMMITTEE ON FINANCE
August 1, 1986

Mr. Chairman and Members of the Subcommittee, I am honored to appear before you today on the subject of Romania's Most Favored Nation status. I am grateful for the opportunity to testify.

In July of 1985, Congressman Chris Smith, Congressman Frank Wolf, and I went on a factfinding mission to Romania sponsored by Christian Response International. We observed firsthand the persecution of religion and other human rights abuses.

Churches have been bulldozed, Bibles have been turned into toilet paper, and pastors and lay leaders have bejailed or heavily fined for preaching. Beatings and other forms of torture are given to religious prisoners of conscience. At great personal risk, individuals would come up to us, and as they shook our hands, they would press messages into our palms about their family members in prison and other personal tribulations imposed on them. We were deeply moved by the faith and courage of the Romanian believers.

Despite the efforts of my colleagues and I to encourage the Romanian government to take positive action on a number of specific cases and issues relating to religious persecution, reports continued to reach us of harassment and repression of the Christian churches. It became clear to us that the Romanian government would not be moved by mere expressions of concern or bad publicity. They have no shame when it comes to religious repression.

We considered a number of possible options on this issue. We concluded that the only way to really get the attention of the Romanian government is to temporarily suspend MFN. Therefore, on October 22, 1985, we introduced H.R. 3599, a bill to temporarily suspend MFN to Romania for six months. We are pleased that an identical bill, S. 1817, was introduced in the Senate on November 1, 1985, by Senator Paul Trible and Senator William Armstrong. This, of course, is the bill which is pending before this Subcommittee.

Under our bill, Romania would be placed "on probation" for six months. During this time, the Administration would assess whether progress was being made concerning religious freedom and human rights. Positive action on the part of the Romanian government would permit MFN to be restored. Our bill, therefore, would not provide for the permanent lifting of MFN.

Despite our bill and other legislation relating to Romanian human rights, the Administration approved another year-long extension of MFN for Romania on June 3, 1986. Although the Administration expressed concern about Romania's human rights violations, it takes the view that continuing MFN provides leverage to promote broader civil liberties in Romania.

But if this is true, why have human rights violations and restrictions on religious liberties intensified during 11 years of MFN trade benefits for Romania? A temporary suspension of MFN should be enacted now in order to convey to the Romanian government that the United States will not conduct business as usual as long as religion is being persecuted in that country. Since continuing MFN has failed to bring about genuine improvements, temporary withdrawal of MFN is the only way to get that government to realize that it is in its own best interest to permit true freedom of religion.

We should be mindful of the fact that trade with Romania under MFN has been virtually a one-way street. In 1985, Romania exported to the United

States about $949.7 million worth of goods, yet imported from the United States only about $206.5 million worth of goods.

So Romania is reaping large benefits from MFN and having to do little to earn them. Every time that renewal of MFN comes up, the Romanians release a few noted prisoners and increase the number of emigrations. That happened again this year, and was cited by the President in his message to the Congress on June 3. Once again, the public relations campaign of the Romanian government was successful.

I believe there is growing sentiment in the Congress to use the trade leverage the United States has with Romania to bring about improvements in human rights in the nation. It is significant that on July 29, 1986, 190 Representatives voted to discharge the House Ways and Means Committee of a resolution to disapprove the President's recommendation to extend MFN to Romania. If a temporary suspension bill, like H.R. 3599 or S. 1817, had come to the Floor instead of the measure to completely disapprove MFN, I think it would have passed.

I thank the Subcommittee for holding this important hearing today; I urge the members to approve S. 1817. I hope you will give the full Senate the opportunity to vote on this legislation. If such a bill finally reaches the House, I know it will be well-received.

Now that the Administration has acted this year on MFN for Romania, it is up to Congress -- and now, most specifically, this Subcommittee -- to use the influence of the United States to help bring religious freedom and respect for human rights to Romania.

AFTER RECESS

Senator **Danforth**. Ladies and gentlemen, thank you for your patience. Senator Bradley, do you have a statement?

Senator **Bradley**. Yes, I do.

Mr. Chairman, I appreciate your holding this hearing. This seems to be an annual or biannual session in which we focus on progress or the lack thereof in Romania when it comes to the question of human rights. There are a few facts. United States trade preferences really do make a difference to Romania. The United States imported more from Romania last year than it imported from the Soviet Union, Poland, Czechoslovakia, East Germany, and Bulgaria combined.

The United States imported more than four times as much as it exported to Romania last year. But frankly, I fear that Romania's trade privileges are now ratifying bald human rights abuses—abuses which we should not tolerate and abuses which we should investigate. The Bucharest government's treatment of its ethnic Hungarian minority should appall our moral sense because it debases its own citizens and should astonish us because of its needlessness.

Last August a Hungarian newspaper cited Romanian policies that deny access of ethnic Hungarians to Hungarian schools, break up Hungarian communities by dispersing ethnic Hungarian workers to purely Romanian regions, and block ethnic Hungarians from taking jobs with the state's news media.

Recently, 25 Hungarian graduate students protested, after none was allowed to return to the main Hungarian province of Romania in order to teach school. The state disperses Hungarian doctors to remote parts of the country, even though there is a shortage of Hungarian doctors in that province.

The Committee for Human Rights in Romania says the evidence points to an acceleration of deliberate government policy to deny the identity and rights of ethnic Hungarians as a group. They cite the recent destruction of an ancient Hungarian university, the recent closing of the last Hungarian high school, several Hungarian theaters, and several Hungarian radio stations, in addition to the continuing imprisonment, torture, and harassment of Hungarian poets, priests, and other leaders.

Last July, the International League for Human Rights testified before this committee on numerous cases where the Romanian Government unreasonably denied emigration applications. Some of these denials were quite poignant. Many of these people were very old. What has become of Borislav Nikolin, who is partially paralyzed? Or Michael Weber, 83 years old, suffering from a stomach disease and his nearly blind wife, Elisabetha? What about Anna Bieber, suffering from arteriosclerosis and myocardial sclerosis? Or her husband, Jakob, 80, also suffering from heart disease?

What is the point of these denials of emigration to these very old people who need Western medical attention? I don't see any. Every year some new gruesome report emerges. The 48th International Penn Conference brought to light two deaths apparently at the hands of the Romanian secret police. Gheorghe Ursu was arrested for writings in a personal diary. His wife was later informed by telephone that she was a widow. Arpad Visky, one of the most prominent Hungarian actors in Romania, was found hanged from a tree by a policeman just minutes after the death. The incident followed several weeks of official intimidation as Visky had applied to emigrate to Hungary.

Mr. Chairman, these reports are just a few of the many, and they all warrant thorough investigation. The list of complaints of unexplained disappearances, torture, and harassment of priests, denial of the right to work, supposedly guaranteed in Romania, and forced dislocation seems never to end. I would like to see evidence of improved conditions for ethnic Hungarian minorities in Romania, including simple access to Hungarian schools and churches, easier and fairer emigation procedures, and a halt to religious persecution and political imprisonment.

Mr. Chairman, I think answers to these questions should be an integral part of any thought of extending MFN status for Romania.

Senator DANFORTH. Senator Bradley, thank you very much. Next, we have the Honorable Rozanne Ridgway, Assistant Secretary of State for European and Canadian Affairs; and Franklin J. Vargo, Deputy Assistant Secretary for Europe, Department of Commerce.

Madame Secretary, thank you very much.

STATEMENT OF HON. ROZANNE L. RIDGWAY, ASSISTANT SECRETARY OF STATE FOR EUROPEAN AND CANADIAN AFFAIRS, DEPARTMENT OF STATE, WASHINGTON, DC

Secretary RIDGWAY. Thank you, Mr. Chairman. I appreciate your invitation to appear before the subcommittee today to discuss a subject which challenges not only important interests of the United States but our ability to protect and advance those interests—United States policy toward Romania, especially the continuation of that country's MFN trading status under the terms of the Trade Act of 1974.

The specific occasion for my appearance is the President's decision of June 3 to extend the MFN status of Romania for 1 more year. Each year since the passage of the Trade Act of 1974 and in particular those elements that have come to be known as the Jackson-Vanik provisions, all of us have had to take up the question: Are the provisions of the law being met and are our national interests with respect to Romania being served?

On all previous occasions, we have found jointly in the affirmative. Perhaps no deliberation of the question has been more difficult than it has been this year. We are, in fact, dealing with human lives. The President has reached his affirmative conclusion and has so informed the Congress.

We have no doubt that the difficulties we encountered in the executive branch were no less troubling than those faced here in taking up the same question. I would like to set before you today the elements of the situation as we see them, convinced that in the end you will share the conclusion the President has reached.

The heart of the matter, the central theme of the Jackson-Vanik provisions of the Trade Act is emigration. Since 1975 and the granting of MFN status to Romania, over 154,000 Romanians departed legally for the United States, the Federal Republic, and Israel. Over 25,000 people have legally departed for the United States; most have joined family members here.

A mid-1985 fall-off in Romanian passport approvals to people qualified under our laws to come to the United States has been reversed. Since mid-April we have been advised of passport approvals for over 1,500 people qualified to come to the United States. These are people who are qualified to come here by virtue of close relatives in the United States or other legal means for our admitting them.

I would like to make clear that our interest has focused not on raw numbers of emigrants to the United States but on people who are qualified under U.S. law and procedure to come here. There are currently in Romania some 1,000 people with passport approval for the United States, but we have no legal or administrative basis for admitting them.

We remain concerned about the rate of Romanian Jewish departures for Israel, which has dropped below last year's level of 1,327. Emigration to the Federal Republic of Germany remains substantial. We have secured improvements in Romanian emigration procedures and are working to get more. Last year, the Romanian Government agreed to procedures which would avoid people becoming trapped between Romanian and United States regulations, unable to work or to have access to social services because they had Romanian passports and unable to leave Romania without United States visas.

This tragic situation, which has occurred thousands of times over many years, has not repeated itself since the middle of 1985. With this record and the clear meeting of the specific terms of Jackson-Vanik, what is it that today makes our task here more challenging than it has ever been?

It is, I believe, as the President's June 3 report to Congress made clear, the associated questions of religious rights issues and the treatment of the Romanian people across a broad range of human rights principles. I would like to take the challenge headon, as I am sure you and the members of the committee also want to do.

Dealing with the Romanian Government forces us to make tough choices and poses some moral dilemmas. The Romanian people deserve no less than for us to address the questions before us, deliberately and with compassion. Does our MFN relationship in which we are making progress on emignation assist in making progress on human rights, specifically religious rights? What is the balance between those results and the limited influence which MFN affords us? Would our national interests, and especially our interest in the people we care about, be better served by terminating or suspending MFN? Although if I might make a footnote here, Mr. Chairman, I think one had best realistically speak of choice between continuing or terminating. I think suspending is a notion which masks a reality regarding commerce between nations with which we must deal.

There is in Romania an abundance of conditions which provoke all of us, as Americans: protest. Eight protestant churches demolished in recent years for alleged building code violations. Systematic interference with individual freedoms and imposition of Draconian austerities to offset economic mismanagement. Massively costly urban redevelopment schemes. Many individuals' emigration requests are denied, and some political and religious activists remain incarcerated.

On July 21, the Romanian authorities demolished Bucharest. Bucharest's historic Spanish synagogue, the Romanian Jewish community's only remaining sephardic synagogue, for an urban redevelopment project. This deplorable act followed specific and repeated expressions of concern by the Romanian Jewish community, American Jewish groups, the Governments of the United States, Israel, and Spain, and several members of this body.

At this moment, At Large Seventh Day Adventist Church, one of five in Bucharest, is threatened with demolition. Although the fact is disturbing to the Romanian Government, Romania is experiencing a religious revival, particularly among fundamentalist Protestant denominations, which are growing faster than in other countries of Eastern Europe.

Religious leaders in Romania, some of whom hold no brief for the regime, tell us that the number of functioning churches in Romania is over 12,000. Over 400 of the country's more than 1,000 openly functioning Baptist churches are not officially licensed. Hundreds of other fundamentalist Protestant denominations operate with full knowledge of the Romanian authorities but outside the context of laws regulating religious observance. Despite the Romanian Government's callous treatment of some places of worship, some new churches are being built.

It is also noteworthy that virtually all Romanian denominations have been able to maintain extensive contact with coreligionists in the West, including many ties with the United States. This involves not only correspondence but frequent visits, the conduct of sermons—although with some limits—by visiting clergy from unknown lay preachers to Rev. Billy Graham, and substantial material support.

We have confirmed that Romanian believers receive, with scant hindrance, important parcels of food and clothing from coreligionists in the United States and Western Europe.

We have been and we intend to remain in contact with these groups and to continue to make our interest in their welfare known to the Romanian authorities. I would like to report substantial progress in persuading Romania to our view of religious rights, freedoms, and priorities. I cannot.

So far as the issues of principle are concerned, the Romanian Government's answers have been hesitant, incomplete, and sometimes evasive. We continue to press on practices affecting importation or domestic printing of Protestant bibles, treatment of unrecognized religious groups, and treatment of places of worship. We have secured some practical results, for example, by helping congregations whose churches are threatened, to stop demolition on the ostensible grounds of building code violations and urben redevelopment.

Senior members of the Romanian orthodox hierarchy have told us that their church is willing to print a substantial number of Romanian Protestant bibles; but what we have achieved falls far short of what we want. We also have made some progress on other human rights issues that are not covered formally under the Trade Act. An amnesty declared by the Romanian Government on June 2 created prospects for release of individuals jailed for political offenses. So far, the Romanian authorities have advised us of the release of 11 individuals about whom we, U.S. human rights groups and Members of Congress, have expressed concerned. Their names, Mr. Chairman, are in my prepared testimony. I will not read them aloud, but they stand as a ringing list of brave people whom we believe we have been able to help through our small amount of influence created in a relationship which includes MFN.

This amnesty followed the release from prison of Dorel Catarama, a religious activist whose case had aroused great interest in the United States and which the administration and the Congress pursued exhaustively with the Romanian Government.

Mr. Catarama and his family have applied for emigration to the United States, and we are pressing hard for early issuance of their passports. In addition, we have urged the Romanian authorities to grant amnesty to other jailed individuals. And distinguished mathematicians, to whom the Romanian Government had denied exit permission, have now received passports to accept fellowships at U.S. universities. One will go to Princeton's Institute for Advanced Studies, the other to the University of Indiana.

Let me end my testimony today by discussing Romania in a foreign policy setting. An Eastern bloc country, a member of the Warsaw Pact, Romania is located directly between the Soviet Union and nonaligned Yugoslavia and astride potential Soviet routes to Greece and Turkey. Its strategic importance is recognized by our military authorities. It is the second largest and second most populous country in an inherently unstable part of the world—that part of Europe. While many have questioned the extent to which Romania is able to act in a manner independent of the policies of the Soviet Union, it has taken steps which are distinctive and significant: the recognition of Israel, limited participation in Warsaw Pact activities, opposition to full integration of the ComeCon economies. These elements of Romanian foreign policy have been placed before the committee before.

For this annual review, I would add as evidence of Romania's not-insignificant differences of posture from that of other Warsaw Pact countries. The fact that the Romanians only a few weeks ago were the only Warsaw Pact delegation not to walk out of a U.N. meeting being addressed by a Polish solidarity activitist; and from June 13 to June 16, our Sixth Fleet flagship and a frigate visited the Romanian port of Constanta. Our fleet commander, Admiral Kelso, met with senior government officials.

And I think it is worthwhile that we take a look at the pattern of Romania's voting in the United Nations, which differs from that of the Soviet Union on key issues. Alone in the Warsaw Pact, Romania has not voted with the Soviet Union with respect to Israeli credentials, Cambodia, and Afghanistan.

The conclusion that one reaches in reviewing this record is the same today as it was in 1975: Romania has established and maintained a foreign policy substantially independent of the Soviet Union in a number of areas. We believe that this independence still exists and distinguishes Romania from all other Warsaw Pact countries.

Two new topics added to the foreign policy agenda since MFN status first was granted to Romania are international terrorism and the transfer of technology. On the first, I will be candid in saying that we do not rule out some Romanian involvement with terrorism. All of the information available to us, however, indicates that Romania is not among those countries which most actively support terrorism.

As for Romania serving as a major conduit for supplying Western technology to the Soviet Union, while we cannot exclude Romanian involvement in technology transfer, all of the information available to us is that it is not an important conduit.

This, then, is my summary of where we are with Romania, on emigration, on human rights, on foreign policy. More simply put, it is a summary of where we are with Romania on matters that affect people and their lives. Looking at the record, Americans can feel disappointed and frustrated. We can throw up our hands and walk away. Some say we should. The administration says we should not. Our conclusion is: Our MFN relationship, which meets the test of the law and is the basis for emigration from Romania, assists in making progress on human rights, including religious rights. The absence of such a relationship would impede reunification of thousands of divided families, increase religious repression, and deny us—what is most important for our consideration here—deny us the opportunity to make a difference in the lives of the people we want to help. The balance between influence and results is close, but the difference is measured in people's lives, and it is a positive difference.

Our national interest, which also comes down to helping people, is served by the continuation of Romania's most-favored-nation status. I know the arguments against the case. To many of the facts assembled in support of them, one must respond, yes, that is true. But singly or together, they do not in our view make a convincing case to those in Romania who have to live with the results of our decision. It is the lives of these people that have mattered most in our considerations.

Thank you, Mr. Chairman.

Senator DANFORTH. Thank you, Madame Secretary. Secretary Vargo?

[The prepared written statement of Secretary Ridgway follows:]

STATEMENT BY THE HONORABLE ROZANNE L. RIDGWAY
ASSISTANT SECRETARY OF STATE FOR EUROPEAN AND CANADIAN AFFAIRS
BEFORE THE INTERNATIONAL TRADE SUBCOMMITTEE
OF THE SENATE FINANCE COMMITTEE
AUGUST 1, 1986

MR. CHAIRMAN, I APPRECIATE YOUR INVITATION TO APPEAR BEFORE THE COMMITTEE TODAY TO DISCUSS A SUBJECT WHICH CHALLENGES NOT ONLY IMPORTANT INTERESTS OF THE UNITED STATES BUT OUR ABILITY TO PROTECT AND ADVANCE THOSE INTERESTS: U.S. POLICY TOWARD ROMANIA, ESPECIALLY THE CONTINUATION OF THAT COUNTRY'S MFN TRADING STATUS UNDER THE TERMS OF THE TRADE ACT OF 1974.

THE SPECIFIC OCCASION FOR MY APPEARANCE IS THE PRESIDENT'S DECISION OF JUNE 3 TO EXTEND THE MFN STATUS OF ROMANIA FOR ONE MORE YEAR. EACH YEAR SINCE THE PASSAGE OF THE TRADE ACT OF 1974 AND, IN PARTICULAR, THOSE ELEMENTS THAT HAVE COME TO BE KNOWN AS THE JACKSON-VANIK PROVISIONS, ALL OF US HAVE HAD TO TAKE UP THE QUESTION: ARE THE PROVISIONS OF THE LAW BEING MET AND ARE OUR NATIONAL INTERESTS WITH RESPECT TO ROMANIA BEING SERVED? ON ALL PREVIOUS OCCASIONS WE HAVE JOINTLY FOUND IN THE AFFIRMATIVE. PERHAPS NO DELIBERATION OF THE QUESTION HAS BEEN MORE DIFFICULT THAN IT HAS BEEN THIS YEAR. WE ARE IN FACT DEALING WITH HUMAN LIVES. THE PRESIDENT HAS REACHED HIS AFFIRMATIVE CONCLUSION AND HAS SO INFORMED THE CONGRESS. WE HAVE NO DOUBT THAT DIFFICULTIES WE ENCOUNTERED IN THE EXECUTIVE BRANCH WERE NO LESS TROUBLING THAN THOSE FACED HERE IN TAKING

UP THE SAME QUESTION. I WOULD LIKE TO SET BEFORE YOU TODAY THE ELEMENTS OF THE SITUATION AS WE SEE THEM, CONVINCED THAT YOU WILL IN THE END SHARE THE CONCLUSION THE PRESIDENT REACHED.

THE HEART OF THE MATTER, THE CENTRAL THEME OF THE JACKSON-VANIK PROVISIONS OF THE TRADE ACT, IS EMIGRATION. SINCE 1975 AND THE GRANTING OF MFN STATUS TO ROMANIA, OVER 154,000 ROMANIANS DEPARTED LEGALLY FOR THE U.S., THE FRG, AND ISRAEL. OVER 25,000 PEOPLE HAVE LEGALLY DEPARTED FOR THE U.S.; MOST HAVE JOINED FAMILY MEMBERS HERE.

A MID-1985 FALLOFF IN ROMANIAN PASSPORT APPROVALS TO PEOPLE QUALIFIED UNDER OUR LAWS TO COME TO THE U.S. HAS BEEN REVERSED. SINCE MID-APRIL, WE HAVE BEEN ADVISED OF PASSPORT APPROVALS FOR OVER 1,500 PEOPLE QUALIFIED TO COME TO THE U.S. THESE ARE PEOPLE WHO ARE QUALIFIED TO COME HERE BY VIRTUE OF CLOSE RELATIVES IN THE U.S. OR OTHER LEGAL MEANS FOR OUR ADMITTING THEM.

I WOULD LIKE TO MAKE CLEAR THAT OUR INTEREST HAS FOCUSED NOT ON RAW NUMBERS OF EMIGRANTS TO THE U.S., BUT ON THE PEOPLE WHO ARE QUALIFIED, UNDER U.S. LAW AND PROCEDURE, TO COME HERE. THERE ARE CURRENTLY IN ROMANIA SOME 1,000 PEOPLE WITH PASSPORT APPROVAL FOR THE U.S., BUT WE HAVE NO LEGAL OR ADMINISTRATIVE BASIS FOR ADMITTING THEM.

WE REMAIN CONCERNED ABOUT THE RATE OF ROMANIAN JEWISH DEPARTURES FOR ISRAEL, WHICH HAS DROPPED BELOW LAST YEAR'S LEVEL OF 1,327. EMIGRATION TO THE FEDERAL REPUBLIC OF GERMANY REMAINS SUBSTANTIAL.

WE HAVE SECURED IMPROVEMENTS IN ROMANIAN EMIGRATION PROCEDURES AND ARE WORKING TO GET MORE. LAST YEAR, THE ROMANIAN GOVERNMENT AGREED TO PROCEDURES WHICH WOULD AVOID PEOPLE BECOMING "TRAPPED" BETWEEN ROMANIAN AND U.S. REGULATIONS, UNABLE TO WORK OR TO HAVE ACCESS TO SOCIAL SERVICES BECAUSE THEY HAD ROMANIAN PASSPORTS, AND UNABLE TO LEAVE ROMANIA WITHOUT U.S. VISAS. THIS TRAGIC SITUATION, WHICH HAS OCCURRED THOUSANDS OF TIMES OVER MANY YEARS, HAS NOT REPEATED ITSELF SINCE THE MIDDLE OF 1985.

WITH THIS RECORD AND THE CLEAR MEETING OF THE SPECIFIC TERMS OF JACKSON-VANIK, WHAT IS IT THAT TODAY MAKES OUR TASK HERE MORE CHALLENGING THAN IT HAS EVER BEEN? IT IS, I BELIEVE, AS THE PRESIDENT'S JUNE 3 REPORT TO CONGRESS MADE CLEAR, THE ASSOCIATED QUESTIONS OF RELIGIOUS RIGHTS ISSUES AND THE TREATMENT OF THE ROMANIAN PEOPLE ACROSS A BROAD RANGE OF HUMAN RIGHTS PRINCIPLES.

I WOULD LIKE TO TAKE THE CHALLENGE HEAD ON, AS I AM SURE YOU AND THE MEMBERS OF THE COMMITTEE ALSO WOULD LIKE TO DO.

DEALING WITH THE ROMANIAN GOVERNMENT FORCES US TO MAKE TOUGH CHOICES, AND IMPOSES SOME MORAL DILEMMAS. THE ROMANIAN PEOPLE DESERVE NO LESS THAN FOR US TO ADDRESS THE QUESTIONS BEFORE US DELIBERATELY AND WITH COMPASSION:

-- DOES OUR MFN RELATIONSHIP, IN WHICH WE ARE MAKING PROGRESS ON EMIGRATION, ASSIST IN MAKING PROGRESS ON HUMAN RIGHTS, SPECIFICALLY RELIGIOUS RIGHTS?

- WHAT IS THE BALANCE BETWEEN THOSE RESULTS AND THE LIMITED INFLUENCE WHICH MFN AFFORDS US?

-- WOULD OUR NATIONAL INTERESTS -- AND ESPECIALLY OUR INTEREST IN PEOPLE WE CARE ABOUT -- BE BETTER SERVED BY TERMINATING OR "SUSPENDING" MFN?

THERE IS IN ROMANIA AN ABUNDANCE OF CONDITIONS WHICH PROVOKE ALL OF US, AS AMERICANS, TO PROTEST: EIGHT PROTESTANT CHURCHES DEMOLISHED IN RECENT YEARS FOR ALLEGED "BUILDING CODE VIOLATIONS," SYSTEMATIC INTERFERENCE WITH INDIVIDUAL FREEDOMS, AND IMPOSITION OF DRACONIAN AUSTERITIES TO OFFSET ECONOMIC MISMANAGEMENT AND MASSIVELY COSTLY URBAN REDEVELOPMENT SCHEMES. MANY INDIVIDUALS' EMIGRATION REQUESTS ARE DENIED, AND SOME POLITICAL AND RELIGIOUS ACTIVISTS REMAIN INCARCERATED.

ON JULY 21, THE ROMANIAN AUTHORITIES DEMOLISHED BUCHAREST'S HISTORIC SPANISH SYNAGOGUE, THE ROMANIAN JEWISH COMMUNITY'S ONLY REMAINING SEPHARDIC SYNAGOGUE, FOR AN URBAN REDEVELOPMENT PROJECT. THIS DEPLORABLE ACT FOLLOWED SPECIFIC AND REPEATED EXPRESSIONS OF CONCERN BY THE ROMANIAN JEWISH COMMUNITY, AMERICAN JEWISH GROUPS, THE GOVERNMENTS OF THE UNITED STATES, ISRAEL, AND SPAIN, AND SEVERAL MEMBERS OF THIS BODY. AT THIS MOMENT, A LARGE 7TH DAY ADVENTIST CHURCH, ONE OF FIVE IN BUCHAREST, IS THREATENED WITH DEMOLITION.

ALTHOUGH THE FACT IS DISTURBING TO THE ROMANIAN GOVERNMENT, ROMANIA IS EXPERIENCING A RELIGIOUS REVIVAL, PARTICULARLY AMONG FUNDAMENTALIST PROTESTANT DENOMINATIONS, WHICH ARE GROWING FASTER THAN IN OTHER COUNTRIES OF EASTERN EUROPE. RELIGIOUS LEADERS IN ROMANIA, SOME OF WHOM HOLD NO BRIEF FOR THE REGIME, TELL US THE NUMBER OF FUNCTIONING CHURCHES IN ROMANIA IS OVER 12,000. OVER 400 OF THE COUNTRY'S MORE THAN 1,000 OPENLY FUNCTIONING BAPTIST CHURCHES ARE NOT OFFICIALLY LICENSED. HUNDREDS OF OTHER FUNDAMENTALIST PROTESTANT DENOMINATIONS OPERATE WITH FULL KNOWLEDGE OF THE ROMANIAN AUTHORITIES, BUT OUTSIDE THE CONTEXT OF LAWS REGULATING RELIGIOUS OBSERVANCE. DESPITE THE ROMANIAN GOVERNMENT'S CALLOUS TREATMENT OF SOME PLACES OF WORSHIP, SOME NEW CHURCHES ARE BEING BUILT.

IT ALSO IS NOTEWORTHY THAT VIRTUALLY ALL ROMANIAN DENOMINATIONS HAVE BEEN ABLE TO MAINTAIN EXTENSIVE CONTACT WITH CO-RELIGIONISTS IN THE WEST, INCLUDING MANY TIES WITH THE UNITED STATES. THIS INVOLVES NOT ONLY CORRESPONDENCE, BUT FREQUENT VISITS, THE CONDUCT OF SERMONS -- ALTHOUGH WITH SOME LIMITS -- BY VISITING CLERGY FROM UNKNOWN LAY PREACHERS TO REV. BILLY GRAHAM, AND SUBSTANTIAL MATERIAL SUPPORT. WE HAVE CONFIRMED THAT ROMANIAN BELIEVERS RECEIVE, WITH SCANT

HINDRANCE, IMPORTANT PARCELS OF FOOD AND CLOTHING FROM CORELIGIONISTS IN THE U.S. AND WESTERN EUROPE. WE HAVE BEEN AND INTEND TO REMAIN IN CONTACT WITH THESE GROUPS AND TO CONTINUE TO MAKE OUR INTEREST IN THEIR WELFARE KNOWN TO THE ROMANIAN AUTHORITIES.

I WOULD LIKE TO REPORT SUBSTANTIAL PROGRESS IN PERSUADING ROMANIA TO OUR VIEW OF RELIGIOUS RIGHTS, FREEDOMS, AND PRIORITIES. I CANNOT. SO FAR AS THE ISSUES OF PRINCIPLE ARE CONCERNED, THE ROMANIAN GOVERNMENT'S ANSWERS HAVE BEEN HESITANT, INCOMPLETE, AND SOMETIMES EVASIVE. WE CONTINUE TO PRESS ON PRACTICES AFFECTING IMPORTATION OR DOMESTIC PRINTING OF PROTESTANT BIBLES, TREATMENT OF UNRECOGNIZED RELIGIOUS GROUPS, AND THE TREATMENT OF PLACES OF WORSHIP. WE HAVE SECURED SOME PRACTICAL RESULTS, FOR EXAMPLE, BY HELPING CONGREGATIONS WHOSE CHURCHES ARE THREATENED TO STOP DEMOLITION ON THE OSTENSIBLE GROUNDS OF BUILDING CODE VIOLATIONS AND URBAN REDEVELOPMENT. SENIOR MEMBERS OF THE ROMANIAN ORTHODOX HIERARCHY HAVE TOLD US THAT THEIR CHURCH IS WILLING TO PRINT A SUBSTANTIAL NUMBER OF ROMANIAN PROTESTANT BIBLES. BUT WHAT WE HAVE ACHIEVED FALLS FAR SHORT OF WHAT WE WANT.

WE ALSO HAVE MADE SOME PROGRESS ON OTHER HUMAN RIGHTS ISSUES THAT ARE NOT COVERED FORMALLY UNDER THE TRADE ACT. AN

AMNESTY DECLARED BY THE ROMANIAN GOVERNMENT ON JUNE 2 CREATED PROSPECTS FOR RELEASE OF INDIVIDUALS JAILED FOR POLITICAL OFFENSES. SO FAR, THE ROMANIAN AUTHORITIES HAVE ADVISED US OF THE RELEASE OF ELEVEN INDIVIDUALS ABOUT WHOM WE, U.S. HUMAN RIGHTS GROUPS, AND MEMBERS OF CONGRESS HAVE EXPRESSED CONCERN. THEY INCLUDE:

-- CORNEL MICH, ILIE DOCIU, LEVI NICULA, AND ELISEU RUSU, EVANGELICAL ACTIVISTS DETAINED IN SEPTEMBER 1985.

-- VASILE PARASCHIV, ARRESTED FOR FREE TRADE UNION ACTIVITIES.

-- TIBERIU MARIAN, IMPRISONED FOR ATTEMPTING TO LEAVE THE COUNTRY ILLEGALLY.

-- STEFAN GAVRILA, ARRESTED FOR ATTEMPTING TO CONTACT A DISSIDENT FIGURE.

-- DAVID TURNEA, DETAINED LAST YEAR FOR ANTI-COMMUNIST PROPAGANDA.

THIS AMNESTY FOLLOWED THE RELEASE FROM PRISON OF DOREL CATARAMA, A RELIGIOUS ACTIVIST WHOSE CASE HAD AROUSED GREAT INTEREST IN THE UNITED STATES AND WHICH THE ADMINISTRATION AND THE CONGRESS PURSUED EXHAUSTIVELY WITH THE ROMANIAN GOVERNMENT. MR. CATARAMA AND HIS FAMILY HAVE APPLIED FOR EMIGRATION TO THE UNITED STATES, AND WE ARE PRESSING HARD FOR EARLY ISSUANCE OF THEIR PASSPORTS. IN ADDITION, WE HAVE URGED THE ROMANIAN AUTHORITIES TO GRANT AMNESTY TO OTHER JAILED INDIVIDUALS, INCLUDING IOAN RUTA, WHO IS SEEKING TO JOIN HIS WIFE IN MINNESOTA.

I WOULD ALSO NOTE THAT PROFESSORS RADU ROSU AND SILVIU TELEMAN, TWO DISTINGUISHED MATHEMATICIANS TO WHOM THE ROMANIAN GOVERNMENT HAD DENIED EXIT PERMISSION, HAVE NOW RECEIVED PASSPORTS TO ACCEPT FELLOWSHIPS AT U.S. UNIVERSITIES. PROFESSOR ROSU WILL GO TO PRINCETON'S INSTITUTE FOR ADVANCED STUDIES, AND PROFESSOR TELEMAN WILL GO TO THE UNIVERSITY OF INDIANA.

LET ME END MY TESTIMONY TODAY BY DISCUSSING ROMANIA IN A FOREIGN POLICY SETTING. AN EAST BLOC COUNTRY, A MEMBER OF THE WARSAW PACT, ROMANIA IS LOCATED DIRECTLY BETWEEN THE SOVIET UNION AND NON-ALIGNED YUGOSLAVIA AND ASTRIDE POTENTIAL SOVIET ROUTES TO GREECE AND TURKEY. ITS STRATEGIC IMPORTANCE IS RECOGNIZED BY OUR MILITARY AUTHORITIES. IT IS THE SECOND LARGEST AND SECOND MOST POPULOUS COUNTRY IN AN INHERENTLY UNSTABLE PART OF EUROPE. WHILE MANY HAVE QUESTIONED THE EXTENT TO WHICH ROMANIA IS ABLE TO ACT IN A MANNER INDEPENDENT OF THE POLICIES OF THE SOVIET UNION, IT HAS TAKEN STEPS WHICH ARE DISTINCTIVE AND SIGNIFICANT:

-- THE RECOGNITION OF ISRAEL,

-- LIMITED PARTICIPATION IN WARSAW PACT ACTIVITIES,

-- OPPOSITION TO FULL INTEGRATION OF THE COMECON ECONOMIES.

THESE ELEMENTS OF ROMANIAN FOREIGN POLICY HAVE BEEN PLACED BEFORE THE COMMITTEE BEFORE. FOR THIS ANNUAL REVIEW, I WOULD ADD AS EVIDENCE ROMANIA'S NOT INSIGNIFICANT DIFFERENCES OF POSTURE FROM THAT OF OTHER WARSAW PACT COUNTRIES, THE FACT THAT THE ROMANIANS ONLY A FEW WEEKS AGO WERE THE ONLY WARSAW PACT DELEGATION NOT TO WALK OUT OF A UN MEETING ADDRESSED BY A POLISH SOLIDARITY ACTIVIST. FROM JUNE 13 UNTIL JUNE 16 OUR SIXTH FLEET FLAGSHIP AND A FRIGATE VISITED THE ROMANIAN PORT OF CONSTANTA. OUR FLEET COMMANDER, ADMIRAL KELSO, MET WITH SENIOR GOVERNMENT OFFICIALS.

AND I THINK IT WORTHWHILE THAT WE TAKE A LOOK AT THE PATTERN OF ROMANIA'S VOTING IN THE UN, WHICH DIFFERS FROM THAT OF THE SOVIETS ON KEY ISSUES. ALONE IN THE WARSAW PACT, ROMANIA HAS NOT VOTED WITH THE SOVIET UNION WITH RESPECT TO ISRAELI CREDENTIALS, CAMBODIA, AND AFGHANISTAN.

THE CONCLUSION THAT ONE REACHES IN REVIEWING THIS RECORD IS THE SAME TODAY AS IT WAS IN 1975: ROMANIA HAS ESTABLISHED AND MAINTAINED A FOREIGN POLICY SUBSTANTIALLY INDEPENDENT OF THE

SOVIET UNION IN A NUMBER OF AREAS. WE BELIEVE THAT THIS INDEPENDENCE STILL EXISTS AND DISTINGUISHES ROMANIA FROM ALL OTHER WARSAW PACT COUNTRIES.

TWO NEW TOPICS ADDED TO THE FOREIGN POLICY AGENDA SINCE MFN STATUS FIRST WAS GRANTED TO ROMANIA ARE INTERNATIONAL TERRORISM AND THE TRANSFER OF TECHNOLOGY. ON THE FIRST, I WILL BE CANDID IN SAYING THAT WE DO NOT RULE OUT SOME ROMANIAN INVOLVEMENT WITH TERRORISM. ALL OF THE INFORMATION AVAILABLE TO US INDICATES THAT ROMANIA IS NOT AMONG THOSE COUNTRIES WHICH MOST ACTIVELY SUPPORT TERRORISM. AS FOR ROMANIA SERVING AS A MAJOR CONDUIT FOR SUPPLYING WESTERN TECHNOLOGY TO THE SOVIET UNION, WHILE WE CAN'T EXCLUDE ROMANIAN INVOLVEMENT IN TECHNOLOGY TRANSFER, ALL OF THE INFORMATION AVAILABLE TO US IS THAT IT IS NOT AN IMPORTANT CONDUIT.

THIS THEN, IS MY SUMMARY OF WHERE WE ARE WITH ROMANIA--ON EMIGRATION, ON HUMAN RIGHTS, ON FOREIGN POLICY. MORE SIMPLY PUT, IT IS A SUMMARY OF WHERE WE ARE WITH ROMANIA ON MATTERS THAT AFFECT PEOPLE AND THEIR LIVES. LOOKING AT THE RECORD, AMERICANS CAN FEEL DISAPPOINTED AND FRUSTRATED. WE CAN THROW UP OUR HANDS AND WALK AWAY. SOME SAY WE SHOULD. THE ADMINISTRATION SAYS, WE SHOULD NOT. OUR CONCLUSION IS:

-- OUR MFN RELATIONSHIP, WHICH MEETS THE TEST OF THE LAW AND IS THE BASIS FOR EMIGRATION FROM ROMANIA, ASSISTS IN MAKING PROGRESS ON HUMAN RIGHTS, INCLUDING RELIGIOUS RIGHTS. THE ABSENCE OF SUCH A RELATIONSHIP WOULD IMPEDE REUNIFICATION OF THOUSANDS OF DIVIDED FAMILIES, INCREASE RELIGIOUS REPRESSION, AND DENY US THE OPPORTUNITY TO MAKE A DIFFERENCE IN THE LIVES OF THE PEOPLE WE WANT TO HELP.

--THE BALANCE BETWEEN INFLUENCE AND RESULTS IS CLOSE, BUT THE DIFFERENCE IS MEASURED IN PEOPLE'S LIVES. IT IS A POSITIVE DIFFERENCE.

--OUR NATIONAL INTEREST, WHICH ALSO COMES DOWN TO HELPING PEOPLE, IS SERVED BY THE CONTINUATION OF ROMANIA'S MOST-FAVORED-NATION STATUS.

I KNOW THE ARGUMENTS AGAINST THE CASE. TO MANY OF THE FACTS ASSEMBLED IN SUPPORT OF THEM, ONE MUST RESPOND, YES, THAT'S TRUE. BUT SINGLY OR TOGETHER, THEY DO NOT, IN OUR VIEW, MAKE A CONVINCING CASE TO THOSE IN ROMANIA WHO HAVE TO LIVE WITH THE RESULTS OF OUR DECISION. IT IS THE LIVES OF THESE PEOPLE THAT HAVE MATTERED MOST IN OUR CONSIDERATION.

STATEMENT OF FRANKLIN J. VARGO, DEPUTY ASSISTANT SECRETARY FOR EUROPE, DEPARTMENT OF COMMERCE, WASHINGTON, DC

Mr. VARGO. Thank you, Mr. Chairman. I would like to discuss the economic aspects of MFN. I have a prepared statement for the record and only three brief points to make. I would also like to submit for the record a letter from Secretary Baldrige to the chairman of the House Ways and Means Committee supporting the extension of MFN to Romania.

My first point, Mr. Chairman, is that MFN is in our economic interest as well as Romania's. MFN is reciprocal.

Under MFN, we have exported $3.5 billion of goods to Romania since 1975. Most of that time, we have been in surplus. We went into deficit only when Romania severely curtailed all of its purchases in order to cut its foreign debt in half. Now that Romania is easing up on its austerity program a little, our exports are rising sharply.

United States exports to Romania are now running at an annual rate of $400 million, more than double last year's rate. Our imports from Romania are down, and our trade deficit has been cut by 30 percent. We estimate that 10,000 Americans find employment producing goods that we export to Romania. Romania is as large a market for American exporters as Austria, and is larger than markets such as Greece and Finland, markets that we would not casually throw away.

If we took MFN from Romania, the Romanians would reciprocate, shifting many of their purchases to other suppliers. We estimate this would cost the United States about $200 million in lost exports and about 5,000 U.S. jobs.

The second point, Mr. Chairman, is that taking MFN away from Romania would impose a significant but not a critical economic cost to Romania. Romania would not lose all of its exports to the United States. At most, it would lose about $300 million. This is because many of their exports would face non-MFN duties that are about the same or only marginally higher than MFN duties. Over half of Romania's exports to us are petroleum products, where non-MFN duties are only 10 cents a barrel to 50 cents a barrel higher than MFN, amounts which could be easily absorbed by the Romanians.

While that $300 million that Romania would lose is significant, Mr. Chairman, it is only 5 percent of Romania's exports annually to the West—only 5 percent.

The third point, Mr. Chairman, is that the economic effects of temporary suspension of MFN would be the same as permanent denial. Temporary suspension would not merely be a strong warning. It is very hard to build markets; and once marketing relationships are cut, they cannot easily be restored 6 months or a year later. United States importers could not wait around to see if Romania got MFN back. They would have no choice but to find alternative suppliers. If Romania were to get its MFN back 6 months later, its markets would have been lost, and it would have to rebuild them from scratch.

Similarly, export market relationships that took years for American companies to build in Romania would be destroyed. Six months later, American companies could not just march back into Bucharest and expect their Japanese and German competitors to give them back the business. Many American companies, moreover, would simply not be willing to start over again, having no confidence they wouldn't have to go through the process again.

These are serious economic considerations, particularly the prospect of losing 5,000 American jobs. American business and the Commerce Department are extremely concerned over human rights in Romania. We have always put this issue front and center with the Romanians. Secretary Baldrige has always made this the center of his discussions in the joint American-Romanian Economic Commission, and we believe this has contributed to gradual improvement of human rights in Romania.

But the point is, Mr. Chairman, that before 5,000 Americans are put out of work, we need to be very sure that taking MFN away is going to improve human rights in Romania better and faster than the program we are now following.

Thank you, Mr. Chairman.

Senator DANFORTH. Thank you, Mr. Vargo.

[The prepared written statement of Mr. Vargo and the letter from Secretary Baldrige follow:]

STATEMENT OF
FRANKLIN J. VARGO
DEPUTY ASSISTANT SECRETARY FOR EUROPE
U.S. DEPARTMENT OF COMMERCE

BEFORE
THE SENATE FINANCE COMMITTEE
SUBCOMMITTEE ON INTERNATIONAL TRADE
AUGUST 1, 1986

Mr. Chairman:

I am pleased to appear before this Committee in support of the President's determination that continuation of the waiver applicable to Romania and Hungary will substantially promote the objectives of Section 402 of the 1974 Trade Act. This will permit extension of most-favored-nation (MFN) tariff status to these countries for another year.

The United States views trade with the Eastern European countries as part of our overall relationship with them, and conducts that trade in the context of national security, human rights and other vital objectives.

In these relations the United States takes account of diversity in the region, especially of foreign policy independence or internal liberalization shown by individual countries. In order to ensure that U.S. interests in Romania and Hungary are furthered and gains achieved are preserved, we believe MFN status should be renewed for both countries.

Romania and Hungary alone among the East European countries have agreed to steps which improve emigration, and have received MFN treatment as a result. There is no question that MFN has had the desired result of promoting increased emigration.

Granting MFN to Romania and Hungary has benefited other U.S. interests as well. MFN has been the foundation of strong commercial relationships with both countries. The granting of MFN was reciprocal, giving U.S. companies the ability to sell in these markets. Over 30 American companies have offices in Bucharest. Several dozen leading American companies are active in the Hungarian market, pursuing trade and cooperation opportunities under Hungary's industrial modernization program. U.S. sales to Romania and Hungary this year are running at an annual rate of over $450 million. Leading export items include food processing equipment, agricultural equipment and chemicals, and non-strategic computing equipment.

MFN has contributed to integrating both Romania and Hungary more fully into the world trading system, and has encouraged their observance of the rules of that system and of U.S. trade regulations and policies, as well. MFN extension has helped Romania maintain a greater degree of economic independence from the Soviet Union. More than 50 percent of Romania's trade is with the West, while other East European countries conduct roughly 65 percent of their trade with the Soviet Bloc.

ROMANIA

We are all extremely concerned about Romania's human rights and emigration practices. The President's decision is a carefully considered one, and is based on the belief that the extension of MFN will result in further progress in areas of interest to the United States. Termination of Romania's MFN would result in a reversal of the gains which have been won in emigration, trade and other areas.

Total emigration to the United States, Israel and the Federal Republic of Germany since Romania obtained MFN in 1975 has been over 150,000. Last year, 17,000 Romanians were able to emigrate to these three countries, more than the combined total from the U.S.S.R., Bulgaria, Hungary and Czechoslovakia -- countries with 13 times Romania's population.

There have been other gains from granting MFN to Romania. Romania agreed, for example, to reverse the 1983 education tax on emigrants. Additionally, we have benefited from Romania's willingness to challenge Soviet initiatives in Eastern Europe. In the trade field, under MFN U.S. companies have sold over $3.5 billion in goods since 1975.

Economically, the MFN relationship has been important to U.S. firms and to American workers. Prior to Romania's current economic crisis, U.S. exports reached a peak of $720 million dollars annually, creating over 18,000 jobs for American farmers and workers. This year, despite Romania's severe financial and economic difficulties, our exports are running at an annual rate of $400 million -- creating jobs for roughly 10,000 Americans.

The trade relationship has been a positive one for the United States, despite the fact that we have been running a substantial deficit with Romania for several years. The reason for this is that our exports to Romania are what we might call "additional" -- that is, if we didn't sell them to Romania, they would not automatically be bought by someone else. They would simply be lost.

Our imports from Romania, on the other hand, are not "additional". They are not unique products which would be unavailable elsewhere. They are principally oil products and semi-manufactures which can and would be imported into the United States from other countries. In fact, other than the sharp increase in imports of petroleum products, our imports from Romania have declined sharply since 1983. Of the $900 million current annual rate of U.S. imports from Romania so far this year, $560 million are petroleum products -- products which would simply be imported from other countries if Romania did not sell them to us.

Moreover, beginning in 1982, Romania has had to make debt payments of roughly $1.6 billion per year. Last year and again this year, Romania is obligated to repay over $200 million of financial obligations to the U.S. Government and private lenders. Since 1981, Romania has cut its foreign debt in half, to less than $6 billion today.

The cost to Romanians of the austerity program has been severe; living standards fell dramatically as food and energy supplies declined. Romania's austerity program also cut heavily into imports of capital goods, with a resultant decline in industrial performance. Recent developments indicate that Romania is beginning to ease domestic austerity. Earlier this month, private bank creditors agreed to reschedule $880 million due in 1986 and 1987. The affect of this is to stretch out repayment of debts rescheduled in earlier years and to put a larger share of current revenues back into the domestic economy. For the first year since 1980, Romania in 1986 is increasing imports at a faster rate than exports. This is the strategy which the International Monetary Fund has encouraged and it will enhance Romanian industrial performance. Stronger Romanian export performance and domestic consumption will follow. In addition, lower oil prices will benefit the Romanian economy in lower outlays for imports and short-term windfalls in petrochemical sales. This will assist the economic recovery.

We are seeing signs that Romania is importing more from the West, including from the United States. Romania reduced its imports from the United States less than from other Western countries, and the U.S. share of Romania's imports from the OECD countries rose from 13% in 1982 to 15% in 1985. This larger share will benefit U.S. exporters as Romanian imports increase.

U.S. sales to Romania for the first five months of 1986 are running at an annual rate of nearly $400 million. This is a growth rate of 120 percent over the same period last year. These figures reflect a strong recovery of U.S. sales of grains, agricultural chemicals, and spare parts for equipment and machinery. Many of these items had been traditional exports to Romania, but were not purchased because of Romania's austerity program.

At the same time, the annual rate for U.S. imports from Romania is about $900 million, down 5 percent from last year's level. The net effect is that our deficit with Romania should fall by 30 percent in 1986. With the extension of MFN we expect to see this trend toward a more balanced trade picture continue.

U.S. companies are making some significant individual sales which will show up in future trade figures, such as power turbines for Romania's nuclear energy program. That power generation equipment is being sold against stiff European competition, and according to company estimates, will generate 1000 American jobs and contribute to keeping open a facility employing 6000 workers. Moreover, it is not only traditional U.S. sales that are increasing; five month figures show that U.S. companies are successfully marketing new products in Romania, including office equipment, clothing, and scientific measuring equipment.

All of these sales are in non-strategic goods. Although we distinguish between Romania and the Soviet Union in our export control country categories, licensing decisions for Romania are made on a case-by-case basis consistent with our national security interests. We do not sell strategic products to Romania, which is a member of the Warsaw Pact.

What would happen if MFN were temporarily suspended or revoked?

The first effect would be loss of U.S. leverage over Romanian emigration and human rights practices. Since 1975, 154,000 people have emigrated. Without MFN such emigration would be severely curtailed and possible eliminated. Suspension or revocation would create a disincentive for the Romanians to permit any increase in religious freedom or improvement in other human rights areas. Thousands of people would suffer as the emigration and human rights situations worsened.

The second effect would be to curtail Romania's ability to sell a broad range of its products in the United States since higher "column II" non-MFN tariffs would be applied. We believe Romania's exports to the United States would fall by about $300 million as Romania became uncompetitive in a range of manufactured and semi-manufactured goods whose tariffs would increase sharply. This represents less than 5 percent of Romania's hard-currency earnings, but which would be hard to make up elsewhere in the short-term. Key losses would come in sales of furniture, leather goods, bearings and household products. Romania would gradually replace these losses by developing substitute markets over the long term. Romania would be able to continue exporting perhaps $600 million of goods to the United States, for which the MFN and non-MFN tariffs are both duty-free or quite low. These include products such as rubber, pork, ammonium nitrate, nitrogen fertilizers, and some petroleum products.

The third effect would be to force hard decisions on U.S. importers, who are locked into purchase contracts in the short term. They would have to pay sharply higher non-MFN tariffs, which would jump perhaps 4 times, on average, at an annual cost to U.S. importers of almost $100 million -- $50 million over a six month period. This would be a tremendous financial burden for U.S. importers to bear -- many of whom are small companies. As soon as they could, they would shift sources from Romania and begin importing from other countries. Given the composition of our imports from Romania, U.S. importers could not find domestic suppliers for most of these products, and would have to import them from other countries. Thus, while total U.S. imports from the world would not fall, U.S. firms would suffer.

The fourth effect would be a sharp drop in U.S. exports to Romania. MFN is reciprocal. We give it to Romania, and they give it to us. If we took it away, Romania would immediately deny MFN to U.S. companies in retaliation and would divert its purchases to other countries. We believe we would lose about half our potential exports to Romania -- costing roughly 5,000 U.S. jobs annually. Furthermore, U.S. exports to Romania could not be diverted to other purchasers. They would be lost completely, to the detriment of our trade balance.

Temporary suspension is no different than revocation. Both actions would dismantle the framework of normal relations. The effect of a temporary suspension on Romanian emigration and human rights practices will be felt immediately. Romanian willingness to respond to U.S. human rights concerns would end. Once MFN is taken away, even as a temporary suspension, business relationships which took years to develop would be destroyed. They cannot be restarted in a year or two as if nothing had happened. U.S. importers will have found other sources of supply, U.S. companies will have closed their doors in Romania, Romanian buyers will have shifted to other suppliers, and the lost trade would take years to slowly rebuild. Moreover, American business would be unlikely to have confidence that the whole process wouldn't occur again.

The U.S. business community strongly supports continuation of Romania's MFN status. American companies desire to help achieve U.S. trade and foreign policy objectives. U.S. business representatives are concerned with the human rights situation in Romania and have used their access to senior Romanian officials, including President Ceausescu, to raise these concerns.

Since granting MFN in 1975, we have used the Joint American-Romanian Economic Commission (JEC), chaired by the Secretary of Commerce, as a forum to discuss Romania's emigration and human rights practices. During the April 1986 Interim JEC Session, both Secretary Baldrige and Under Secretary Smart stressed to Romanian Foreign Trade Minister-State Secretary Rosu the linkage between the maintenance of good bilateral trade relations and improvement in Romania's emigration and human rights performance. Commerce officials continue to reiterate this point.

CONCLUSION

The United States has derived important gains by extending MFN to Romania. The Department of Commerce believes the extension of MFN to Romania will promote the objectives of Section 402 (the Jackson-Vanik Amendment) with regard to emigration. The Department of Commerce also shares the deepfelt desire to improve Romania's human rights performance. We believe the annual renewal process has played an important role in helping to achieve this objective. We believe that the MFN relationship is economically important to Romania, and that Romanian officials have demonstrated they are willing to take some steps to maintain MFN. How much more can be achieved, and at what pace, is unknown. What is certain, however, is that denial of MFN would sever the economic incentive Romania has to make changes that would improve the human rights situation internally.

I appreciate the opportunity to discuss these considerations with you today.

THE SECRETARY OF COMMERCE
Washington, D.C. 20230

JUL 25 1986

Honorable Dan Rostenkowski
Chairman, Committee on House
Ways and Means
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I understand that a petition to discharge H. Res. 475 from the Ways and Means Committee will come before the House on Tuesday, July 29. I strongly urge you to oppose the petition and support the President's decision to continue Romania's most-favored-nation status (MFN).

Since 1975, we have used the Jackson-Vanik Amendment of the 1974 Trade Act to improve Romania's emigration and human rights practices. Over 154,000 people have emigrated from Romania since then, and last year 17,000 people left, more than the combined total from the Soviet Union, Bulgaria, Hungary, and Czechoslovakia -- countries with 13 times Romania's population.

I share the concerns and impatience of many in Congress who believe Romania can and should do more to improve its emigration and human rights performance. As U.S. Chairman of the Joint American-Romanian Economic Commission, I have personally raised these concerns with President Ceausescu and other Romanian officials. I think we are more likely to continue achieving progress in emigration and human rights matters by continuing to work with the Romanians in this way, rather than by suspending or terminating Romania's MFN status as proposed in H. Res 475.

Sincerely,

Malcolm Baldrige
Secretary of Commerce

cc: Sam Gibbons
J.J. Pickle
Charles B. Rangel
Fortney H. Stark
James R. Jones
Andrew Jacobs, Jr.
Harold E. Ford
Ed Jenkins
Richard A. Gephardt
Thomas J. Downey
William J. Coyne
Wyche Fowler, Jr.
Frank J. Guarini
Marty Russo
Donald J. Pease
Robert T. Matsui
Beryl Anthony, Jr.
Ronnie G. Flippo
Bryon L. Dorgan
Barbara B. Kennelly
Brian J. Donnelly

Senator DANFORTH. I understand both of you to say that, as far as you are concerned, the choice should be either continuing MFN or terminating MFN, that the suspension is really not a middle ground, that we should either face the termination question or forget about it, but not try to do what Congress usually attempts to do; and that is go 50–50 with a suspension. Is that right?

Secretary RIDGWAY. That certainly is my view, Mr. Chairman. If I could expand on that a bit, as I understand the terms of the legislation which addresses the proposed suspension, it would be that at the end of a 6-month period, the President would make a recommendation. I would expect from that that there would be required a positive vote up here on the Hill. I find, in view of the description of Romania, which I myself have associated with myself today, it is nearly impossible to imagine the circumstances under which both houses of Congress would vote for Romania.

Senator DANFORTH. Do you think that Jackson-Vanik works?

Secretary RIDGWAY. Yes, I do, Mr. Chairman. It has become over the years a significant tool in foreign policy, but it works best when it is available to work with and not when it is not available to work with.

Senator DANFORTH. So, your position is then that if we terminate MFN status, we will lose whatever leverage we have?

Secretary RIDGWAY. That is my view. On the basis of my own experience and the ability of this country, its representatives—not just the executive branch but in the legislative branch—to persuade interlocutors that we are talking to, that we should be met, that we should be argued with, that we should have things done that we request done, requires a relationship that has something in it. If a relationship is empty, it doesn't work.

Senator DANFORTH. Do you think that over the past year that the human rights conditions in Romania have improved?

Secretary RIDGWAY. I have known for the last 3 days, I guess through this marvelous system that works in this city, that you or perhaps one other Senator might ask me that question directly; and I have struggled with the answer, and I would say that, in general, the situation remains the same. I would like, in defense of my own case, to give you a very positive picture. What I can say is that with respect to individual cases, with respect to our ability to associate ourselves with the Seventh Day Adventists, who are at this moment barricaded in their church, bringing alongside of them the presence and weight of the U.S. Government, we have enhanced in the past year our ability to affect individual situations; but the broad human rights picture in Romania proves resistant to change.

Senator DANFORTH. One synagogue has been bulldozed, and two synagogues and a Jewish museum remain in Bucharest. Has the administration or will the administration seek formal written assurances that they will be preserved?

Secretary RIDGWAY. We, on this one, need to work very closely with the Romanian chief rabbi, Rabbi Rosen, with whom we have been in touch on this question.

Senator DANFORTH. Of course, he was given the assurance that the other one would be left, wasn't he?

Secretary RIDGWAY. Yes, and we have already gone to the Government, along with the Israelis, to make sure that they understand that we expect the assurances given to Rabbi Rosen to be honored. Whether those will be significant or not, I think we need to look at it. We have, even as recently as yesterday, addressed ourselves to the Romanian Government to get specific word from them as to what their intentions are on the remaining three buildings.

Senator **Danforth**. What good are assurances, and what sort of signals do we send to Romania if, within a week or so after the bulldozing of the synagogue, we proceed to set in motion the extension of MFN?

Secretary **Ridgway**. The procedure for setting it in motion was before. So, you could argue they waited until we had done it——

Senator **Danforth**. It just so happens that we are within the midst of MFN right now. When did that happen? Was it a week ago?

Secretary **Ridgway**. The 21st, yes.

Senator **Danforth**. Yes. It was about 10 days ago that the synagogue was bulldozed. And so, 10 days later, here we are in the Finance Committee proceeding with the sort of "business as usual" approach to MFN. I mean, how do we have any leverage in the future? If we say, in effect, so you bulldozed the synagogue, don't worry about it; we are going to continue to maintain MFN status because somehow it is having a salutory effect.

Secretary **Ridgway**. I don't think they could possibly be getting that message. One of the witnesses before, Congressman Smith, I believe, brought the votes from the House over here—the 216 to 190. These are risks that the Romanians are taking with us, with the situation; and if they wish to take those risks, then the price is apparent. But I cannot come up here and defend the Romania Government and won't. If it won't build its own record, all I can do is describe the one that it has made. And if saying that Romanian assurances are good, it is as difficult for me as it is for Rabbi Rosen, apparently. I mean, we received many of the same messages from them on the sephardic synagogue as did members of the Congress.

Senator **Danforth**. It is hard for you to try to put yourself in my shoes when standing on the floor of the Senate, when Senator Trible offers his bill as an amendment to something else.

Secretary **Ridgway**. Senator, one has to walk right straight down the line. Jackson-Vanik is emigration. It is a provision addressed to the whole of Eastern Europe and the Soviet Union. It has stood there for 11 years as the standard which we expect to be met with respect to trading relationships with the United States. And we have said to all of those countries: This is the standard. Two have qualified in the area of emigration: Hungary and Romania. If we are going to change the standard, then I think we need to look at the whole area. But if we are prepared to say, now, it wasn't emigration, it was something else; it was a broader view and we now wish to go by that standard and Romania cannot meet it, then you also have to be prepared—for the people standing in line for emigration—to say to each of them, sorry, it is all over.

We looked at that puzzle and that dilemma and decided that Jackson-Vanik was emigration; the test had been met. People were leaving. We had had, as an additional outcome of that, an opportunity to put something into the relationship about which we could fight on these other issues. We haven't always won on the other issues. That is the only defense.

Senator **Danforth**. Jackson-Vanik, on its face, deals with emigration?

Secretary **Ridgway**. Yes.

Senator **Danforth**. But it certainly has evolved as a matter of practice, at least as far as the annual reviews of Congress are concerned. It certainly hasn't evolved into something more than emigration.

Secretary **Ridgway**. It certainly is part of the atmosphere surrounding it, yes; but as a matter of the policy and what was intended at the time, I think that it is very clear that it was, in the main, Jewish emigration from the Soviet Union, if I am not mistaken; and I think that as one begins to alter the legislative record, then that core policy objective expressed by the Congress is placed at risk.

Senator **Danforth**. Senator Bradley?

Senator **Bradley**. Thank you very much, Mr. Chairman.

Madame Secretary, I didn't see in your statement a concern expressed for the repression of the Hungarian minority. What is your opinion of the systematic repression of the Hungarian minority in Romania?

Secretary **Ridgway**. Senator, I believe this is the first time we have come up here without something on the Hungarian minority, and it was not intended in any fashion to suggest a lessening of the priority, but rather to use the brief amount of time in the prepared statement to get to what we understood was the broad range of criticism up here.

We have associated ourselves with the concerns of the Hungarian minority. We have stayed in close touch with those Hungarian American organizations which are concerned about the future of the ethnic Hungarians in Romania. We have expressed our concerns to the Romanian Government, and we also know from our dialog with Hungary that it, too, has been working the issue with Romania. I cannot report great progress on that.

I can say that the Romanian Government does not share our assessment of what is happening there, but that doesn't stop us from pressing the issue.

Senator **Bradley**. What does the Hungarian Government say?

Secretary **Ridgway**. If I can describe it in broad terms, it would simply be that it, too, is concerned about that minority.

Senator **Bradley**. But is it doing anything?

Secretary **Ridgway**. Not actively.

Senator **Bradley**. So, it remains for us to do something?

Secretary **Ridgway**. To the extent that we can reach into the community, yes.

Senator **Bradley**. What have you done specifically in the last year, since we considered this last, to address the problem of the Hungarian minority: the continued repression, the closing of the churches, the closing of the high schools, the persecution of the priests and the poets? What have you done specifically? How many contacts on this issue with the Romanian Government?

Secretary **Ridgway**. I would have to go back and count. I cannot say.

Senator **Bradley**. Could you give us a ballpack figure?

Secretary **Ridgway**. No, I think it would be reckless of me to do that because I simply do not know on how many occasions or in what fora that discussion has taken place. I would be very happy to try to get it up here by this for you, but I just simply don't want to be reckless on something that I realize is important to you.

Senator **Bradley**. I would like to have a list of all contacts on that issue and the Romanian Government's response to each of the points raised during those contacts. And you said you could provide that information?

Secretary **Ridgway**. I am sure I know the response. The Romanian Government is of the view that it has not dealt in this fashion with this minority.

Senator **Bradley**. What is their explanation for taking ethnic Hungarians out of one area and dispersing them to other parts of the country?

Secretary **Ridgway**. I do not know their specific response on that. The only one I am generally familiar with is on the question of the doctors, where all doctors upon graduation are sent all around the country. That is the kind of answer we generally get.

Senator **Bradley**. But you will be able to provide the committee with that record?

Secretary **Ridgway**. Yes, to the extent that we have one, I will send it up immediately.

Senator **Bradley**. With the Romanian Government's responses.

[Information not available at press time.]

Senator **Bradley**. Do you know who Arpad Visky is?

Secretary **Ridgway**. I do not know the name; I didn't know it until I heard your testimony.

Senator **Bradley**. I see. Could you get any information on the circumstances surrounding his death?

Secretary **Ridgway**. Yes, we will get that, if it is available. We will ask; we will pursue as we have with others that have been brought to our attention.

[Information not available at press time.]

Senator **Bradley**. Let me say that I am sure the chairman is in the same position as all of us. It is a fine line, as you say, and on balance, I suppose that you have to think about reevaluating whether the criteria for most-favored-nation status should be a little broader. Something agreed to in 1974 might not have turned out as we hoped or we might have broadened our expectation of what it means. In terms of relationships with Eastern bloc countries, I would like to have your answers to whether you think a broader interpretation is appropriate.

Secretary **Ridgway**. I will give you my personal view. I think it is not. It becomes unworkable, and unless an offer of content to a dialog is credible, both sides can make it work and deliver on the implicit arrangement or explicit arrangement, then it doesn't work and you get nothing. You have to be able to deliver on what you are holding out as a promise of the elements of a differing relationship provided a country takes into account things that are important to us.

But if it becomes so broad, so judgmental, so subject to a test across a range of American societies, we would never be able to deliver on it; and so we couldn't work with it.

Senator **Bradley**. Thank you very much, Mr. Chairman.

Senator **Danforth**. Senator Wallop?

Senator **Wallop**. Thank you, Mr. Chairman. I guess I find the evidence that the people who desire most-favored-nation status over there to be pretty slim. Again, we are going to have to try to make and see if we can be persuaded. We have been looking with some interest at the Romanian Constitution—the guarantee of work—and indeed it is against the law not to have work, yet those who apply for emigration lose work. I have had recent experience with the State Department in trying to find some evidence—some information, not evidence, about a case of some people who wish to emigrate from Romania. There, I found the State Department more the representative of the Romanian Government than the response to my request.

The evidence of their independence from the Soviet Union, in my judgment is cynical. I grant what you say, but I hope you would grant me the information we received from the Romanian colonel who defected about the extent to which the Soviet Union uses Romania's relationship with us—that favored relationship--to run the whole of an enormous operation of Romanian intelligence against us, doing the bidding of the KGB.

I mean, that is hardly what one would call independence. I think the Soviet Union is quite prepared to have modest demonstrations of independence in order to lull us into circumstances over which we inevitably are seduced. I look at the State Department's own report on the status of human rights, and it doesn't sound to me like it is very good. And then, I think the most cynical thing of all is the mid-1985 falloff—in your statement—in Romanian passport approvals which has been reversed. Would that have anything to do with this hearing?

Secretary **Ridgway**. Absolutely. It has been that way every year. It has made the hearing a valuable tool for us in the conduct of the relationship.

Senator **Wallop**. Yes, but the problem is that as soon as this status is affirmed, it falls off again.

Secretary **Ridgway**. Not entirely. The rates change, and then it comes back up. Absolutely.

Senator **Wallop**. How can we sell that?

Secretary **Ridgway**. I don't think you have to sell it, but I am pleased that we have seen 2,000 people get out under this arrangement that has functioned in this fashion over all of these years. And if this is how it has to be done, I would say those people probably are grateful for however it gets done.

Senator **Wallop**. Well, I guess I don't see the evidence that you are citing.

Secretary **Ridgway**. It is a tough one.

Senator **Wallop**. One or two people, yes, but the rest of the evidence you give is of a more repressive regime. This is a regime that has only the most cynical regard for its relationship with us, and our reasons for extending it are just dollars and a trading arrangement that is better than Greece.

Secretary **Ridgway**. The Congress of the United States in 1974 decided that there ought to be an expression of a relationship between emigration and the relationship including trade. It has worked. It is linkage. Describe it as negative or positive—it is linkage.—154,000 people have left Romania since the passage of that legislation. We have come down on the side of saying that we are not prepared to say to the successors to those 154,000.

I really do not accept those arguments. I cannot and will not make the case for Romanian society or governments or indeed go far beyond the statement that Romanian policy is distinctive but the judgment call is a judgment call on lives, and that is how we came out.

Senator **Wallop**. I just find it very strange that this country and this Congress would consider granting this status, at the same time that it is considering establishing sanctions against South Africa. Somehow or another, that balance is lost on me, where you would see more agregious abuse of human rights and other things on one side; then, here we are seeking to seduce it with a little economic favor. And on the other side, we are seeking to stop it by a little economic suppression. There just doesn't seem to be any bell that rings in the realm of logic on that.

Thank you, Mr. Chairman.

Senator **Danforth**. Senator Chafee?

Senator **Chafee**. Thank you, Mr. Chairman. Secretary Ridgway, could you tell us a little bit about most-favored-nation treatment? Have we ever withdrawn most-favored-nation treatment from a country?

Secretary **Ridgway**. Yes, Poland.

Senator **Chafee**. Poland? And when you withdraw it, does it do any good? What happens? It seems to me—well, I am interested. What kind of a leverage tool is most-favored-nation? Mr. Vargo?

Mr. **Vargo**. There is a limited amount of leverage, Senator. Romania would lose about 5 percent of its hard currency exports. Now, that is something that they wouldn't just want to throw away, but it gives relatively limited leverage. Actually, the leverage works better the other way around. What motivates Romania, and gives us the little bit of leverage that we have, is the prospect that trade can grow. And earlier, the point was raised that we can't just do business as usual. Well, we are not doing business as usual. Whenever Romanian trade delegations come to the United States and they want to talk of more joint ventures and doing more business, we make it very plain to them that it is very important to us that the religious freedom of Romania be improved; that before we look for an expansion in the relationship, we need to have our objectives in Romania achieved more than they have been. And over the years, there has been some little improvement, not anywhere near what we would like, but the leverage is small. It is discernible, but it is small.

Senator **Chafee**. It has been my experience in viewing these things, and you have had a lot more experience, that, as a matter of principle in these matters, laying down ultimatums to other nations, satisfies us and we thus adhere to our ideals to a greater extent. But as far as getting the other nation to change its ways, I can't recall these matters having much success. I think back on the

Turkish arms embargo or a whole series of steps that we have taken, and it had been my experience that these nations dig in their heels and claim they are not going to be bullied.

Suppose we went ahead and dropped most-favored-nation status for Romania. What would happen?

Mr. VARGO. Well, Senator, Romania would lose, we believe, about one-third of its exports to us—about $300 million. It would turn right around and——

Senator CHAFEE. Now, that is to us; and we are what percentage of their total exports?

Mr. VARGO. We are about 15 percent of their total exports, all told—hard currency exports.

Senator CHAFEE. So, they would lose what percentage of that total, did you say?

Mr. VARGO. They would lose about one-third of that, but we would lose also because they would immediately turn around and cease purchasing American products, virtually automatically. We figure that we would lose about $200 million in exports to Romania and the 5,000 American jobs that are associated with that.

Senator CHAFEE. But if we are not putting this on a dollar basis or jobs for Americans, but trying to improve the statue of religious groups in Romania, the question is: What would happen. Secretary Ridgway's view is that we would lose and not gain. Is that your position?

Mr. VARGO. I have been dealing with Romanian officials for a few years now, and I share the Ambassador's view that we would lose the little leverage that we have and the circumstances in Romania would get considerably worse.

Senator CHAFEE. What do you say to that, Ambassador Ridgway?

Secretary RIDGWAY. Oh, I agree with that. I think that there is a fine balance in psychology of other countries and their willingness to be influenced by us in directions in which they want to move in return for something. There is the balance between engaging their sense of dignity and intrusion and their desire to have the benefits of the relationship. I think we have managed it very well. I think it is not easy to manage. I think all of us have managed it very well over the years to the advantage of people in those few cases where we have had an effect. But I think if we pushed it too far, we would lose the whole thing.

Senator CHAFEE. Mr. Chairman, let me ask just one more question, if I might. So, we withdrew the most-favored-nation status for Poland. Why, and what was the situation before, and what is the situation since?

Secretary RIDGWAY. It was withdrawn under the imposition of martial law, I believe, in December 1981. It has remained withdrawn.

Senator CHAFEE. Has that improved the situation, as far as the goals we sought?

Secretary RIDGWAY. We seek the reconciliation of the Polish people, the freeing of political prisoners, the dialog between the church and the state conducted in such a fashion as to gain approval of some of the church proposals, particularly in the field of agriculture; and we believe if those things are achieved in the Polish setting, it would be possible for the United States to restore the flavor of its former relationship with Poland. We have not achieved those things.

Senator **Chafee**. Has there been any move to restore the most-favored-nation status to Poland?

Secretary **Ridgway**. I have just gotten a note. If I might go back, Senator. I have had a note passed over from the staff member behind me, and I think it is perhaps significant.

The MFN status was withdrawn from Poland in November 1982 with the outlawing of Solidarity. Several sanctions had been imposed at the time of martial law. MFN sanctions had not been imposed. It was the only element of the relationship left, so it was what was withdrawn in order to respond to the outlawing of Solidarity in November 1982.

Senator **Chafee**. Well, now, you have got me a little confused. Has MFN status been withdrawn?

Secretary **Ridgway**. Yes; it has. I just wanted to give you the right date—in 1982.

Senator **Chafee**. Oh, on the basis of the outlawing of Solidarity?

Secretary **Ridgway**. Yes, yes.

Senator **Chafee**. My question is: What has it achieved? Has it furthered our goals? Is it a plus or is it a minus, or is it a zero, as far as achieving our goals of wanting greater human rights within Poland?

Secretary **Ridgway**. Every step of this sort becomes a combination of goals. I would expect that our principal goal in this case, which was to express our solidarity with Solidarity, was achieved.

Senator **Chafee**. Well, we expressed our solidarity, but did we improve the situation for them?

Secretary **Ridgway**. They remained outlawed, of course.

Senator **Chafee**. Thank you.

Senator **Danforth**. Senator Heinz, I know you have a statement. Do you have any questions for this panel?

Senator **Heinz**. No questions, Mr. Chairman. With the permission of Senator Wallop, I would just like to ask unaniomus consent to put my entire statement in the record.

Senator **Danforth**. Without objection.

Senator **Heinz**. Just to briefly indicate that my statement deals with the views not only of myself as a member of the Finance Committee and this subcommittee, but as a congressional member of the Commission on Security and Cooperation in Europe, I just want to note that there really needs to be significant and dramatic improvement in Romania, in particular. The Commission is not satisfied with the limited gestures made to date by Romanian authorities and concrete progress in broad areas of concern which set out in both the Pressler and in the Yatron resolution—both have passed Congress—is still necessary.

We are talking about such things as finalizing arrangements with its Baptist Hungarian reform and other citizens who seek more bibles, and talking about acting more quickly to resolve long-standing family reunification and other humanitarian cases which enjoy broad support in the United States. A case in point is Napoleon Fodor. To release prisoners of conscience whose fate is of concern. Some examples there would be Bela Powell and Laslo Buzhshazh, Erno Borbay, and that the Romanian Government must cease the demolition of religious buildings, particularly those with strong historical and community value such as the Spanish synagogue in Bucharest which was razed only last week, despite the protests of Romanian and American Jewish communities.

Mr. President—I have been a floor manager of this debt ceiling bill for too long—Mr. Chairman and members of the committee, I thank you for your forebearance.

Senator DANFORTH. Senator Heinz, thank you very much.

Senator Pressler, who has been to Romania, is not a member of this committee; he is a member of the Foreign Relations Committee, and he has dropped by and would like to make a comment.

STATEMENT OF HON. LARRY PRESSLER, U.S. SENATOR FROM THE STATE OF SOUTH DAKOTA

Senator PRESSLER. Mr. Chairman, I shall be very brief. I am io favor of extending most-favored-nation treatment to Romania. My conclusion from a July trip there, sponsored by the fellowship group which organizes the National Prayer Breakfast, is that if we force Romania closer to the Soviet Union, there would be less religious freedom. It is a very difficult situation.

I am certainly not here defending Romania, but I came to the conclusion that it would be wisest to extend most favored nation status for the time being.

In visiting that country, I had a chance to meet the President and I had a chance to visit with several religious leaders, missionaries, and others. There is divided opinion. The Orthodox Church there doesn't like competition; that might be as much of a problem as the Government. I also spent a considerable amount of time getting around with the ambassador to other members of the Government, including the chief rabbi who is also a member of their parliament. The ambassador had a luncheon with religious leaders; we also met with dissidents.

There is an extremely difficult situation in Romania. As has been pointed out by other witnesses, I am sure, Romania has done things that are different from other Soviet bloc countries. I certainly am not a defender of Romania. My observation was that Romania's level of human rights and civil rights and religious rights was probably similar to the other three Eastern bloc countries I visited. It is a close call for me, but I came to the conclusion that it would be best to continue the most-favored-nation status.

I have joined in a resolution calling for many changes—the release of prisoners, the end of destruction of buildings, and so forth.

Senator DANFORTH. Without objection.

Senator Pressler, thank you very much for your comments. Ambassador Ridgway and Mr. Secretary, thank you very much for your testimonies.

Mr. VARGO. Thank you, Mr. Chairman.

Senator DANFORTH. Next, we have a panel consisting of John Crossley, director of EastWatch, and chairman of Christian Rescue Effort for the Emancipation of Dissidents; Reverend Jeffrey Collins, executive director of Christian Response International; Holly Burkhalter, Washington Representative, Helsinki Watch; and Frank

Koszorus for the International Human Rights Law Group. Mr. Crossley, your name is first on the list. Would you proceed, please?

[The prepared written statement of Senator Pressler follows:]

Senator Pressler's Testimony for the Senate Finance Committee Hearing Record on Romania's MFN Status

September 8, 1986

I offered brief remarks during the Finance Committee's hearing in early August, but the following will constitute my formal testimony before the Committee. I understand that it will be included in the Committee record.

Let me say initially, and unequivocally, that I am strongly in favor of continuing MFN for Romania. Secondly, I must state for the record that my recent visit to Romania reinforced my belief in the utility of the MFN lever, and in the importance of continuing MFN for Romania. My support for maintaining MFN is based on four factors: the tangible progress we have gained on emigration, the illogic of suspension or termination, the overall geopolitical value of a special bilateral relationship with one of the most independent states in the Soviet Bloc, and the concrete progress I have witnessed on human and religious rights.

1. Emigration: Rare and Tangible Progress

During the past decade, I have keenly followed the positive impact of the Jackson-Vanik "freedom of emigration" amendment, applicable to non-market economies. I am convinced that it is one of the most useful tools we have yet devised to encourage the promotion of emigration as an alternative for dissidents unable to live under Communist rule. Jackson-Vanik has also has the additional utility of serving as a regularly-applied lever for improving human and religious rights performance, even though it legally was intended only to promote emigration.

Jackson-Vanik's greatest success is clearly the case of Romania. Over the past decade, 155,253 people have been allowed to emigrate from Romania. The total of legal departures from Romania since 1975 has exceeded the combined total of departures from the USSR, Bulgaria, Czechoslovakia, and Hungary -- countries with 13 times the population.

That is success on an incredible scale in bilateral terms, in geopolitical terms, and certainly in terms of human lives. Few, if any, of these departures would have occurred had the threat of withholding MFN not been such a successful element of persuasion for a state perpetually on the brink of economic disaster.

Yet, instead of searching for and perfecting similar devices that would expand our influence over Soviet bloc states, devices that would improve the daily lives of millions behind the Iron Curtain, legislation has been proposed to cripple or eliminate that extremely effective lever. Why?

2. The Illogic of Suspension or Termination

Proponents of legislation to suspend or terminate Romania's MFN status want to do so because Romania's human rights and religious rights performance is not perfect. Such an approach is not only fraught with danger but also virtually useless in dealing with the Soviet Bloc. Equally important, it fails to address the legislation and issue in question -- Jackson-Vanik and emigration. In so doing, it hopelessly muddles the legislative and executive process, severely jeopardizes the conduct of our bilateral relations with Romania, acutely worries the East European states who want to expand links with the West and somewhat distance themselves from Moscow, and calls into question every other quid pro quo we have negotiated with the more responsive East European states.

In effect, these legislators are saying to the Romanians: "In mid-stream, we're turning the tables on you. Romania's MFN status is legally linked only to emigration, but we're going to deny you MFN because you're not perfect on religious and human rights. We don't care about the progress you've made on emigration, we're changing the rules."

Such an attempt to circumvent Jackson-Vanik is not only exceedingly short-sighted, but it defeats the very purpose these legislators purport to desire: an improvement in conditions for Romanian nationals. Life in Romania is no tea party; conditions are harsh, the economy is in a shambles, and the government offers few guarantees for human freedoms.

However, that is precisely why the leverage offered by a yearly renewal of MFN is crucial. A hundred and sixty thousand human beings who could not abide conditions in Romania now live in freedom in the West. Legal emigration on such scale is not an option anywhere else in the Soviet Bloc. Make no mistake -- if Romania's MFN status is suspended or revoked, Romania will retaliate by restricting or eliminating emigration.

3. Romania: Tangible Progress in East-West Relations

The European Affairs Subcommittee of the Senate Committee on Foreign Relations, of which I am the Chairman, held a hearing on U.S.-Romanian bilateral relations on February 26, 1986. We felt that it was crucial to investigate this issue very early in the year because Congressional action in 1985 had been unusual: by November, 1985 there were 12 bills and resolutions already introduced, many of which were intended to suspend or deny MFN. This early and high level of interest was atypical; in the past, lobbying on Romania's MFN status began in the late spring, just before the President's determination of the waiver.

We were convinced that 1986 would be an unusual year for this issue -- as it has been -- and we wanted to encourage a rigorous investigation of the importance of the U.S.-Romanian bilateral relationship in its East-West context. In effect, we attempted to take the high-road early, to ensure that this years debate on American policy toward Romania would not be reduced to one issue: MFN.

Our hearing focused on the broadest foreign policy issues, rather than on the more particular concerns that must necessarily be the province of other committees, such as the Finance Committee and Ways and Means.

At the heart of our discussion was the U.S. policy of differentiation. "Differentiation" is a policy that has been pursued under various names by each administration since Eisenhower's. This strategy is a means of encouraging East European governments to distance themselves from the Soviet Union, to improve their human rights records, and to pursue liberal economic reforms.

The United States has traditionally promoted such developments in Eastern Europe with a variety of tools. These tools include increased high-level diplomatic contacts, the awarding of MFN status, Export-Import Bank credit eligibility, and cultural and scientific agreements, among others.

Our strategy of differentiation has borne good fruit, and promises to continue to reap important returns. In many ways, Romania is the test-piece of that policy, the greatest hope for a model of greater differentiation in Eastern Europe. That is why the threat this year to Romania's MFN status is so dangerous to the development of our policies toward Eastern Europe as a whole.

It is not an isolated case. Indeed, during my conversations with officials in Hungary in July, I was repeatedly told that they didn't want to see Romania lose its MFN status with the U.S.; they alluded to the fact that it might make their own status as the only East European state with MFN more difficult politically. Similarly, in Czechoslovakia, the oft-repeated request for MFN took on an anxious note during my visit, for the Czechoslovaks appeared worried that their petition for MFN might be completely foreclosed by its loss in Romania.

Where MFN status is so desired politically, where it is so needed economically, and where its existence is virtually a badge of acceptance in the family of nations, the U.S. resulting influence is great. We must use this influence to broaden and deepen the objectives we strive for in Eastern Europe. We certainly cannot throw it away. To voluntarily abandon the concrete leverage that we have -- leverage that gives us an incredible capacity for doing good -- would be stupid. Instead, we must use to mutual advantage the relationship that we have built with Romania, such that more and more of Eastern Europe is capable of similar progress.

Given the constraints of time, I refer you to the testimony of Assistant Secretary Ridgeway for a clear and concise rendition of the utility of Romania's more independent policies for American foreign policy.

4. The MFN Process Promotes Progress on Religion and Human Rights

I am the only Member of Congress to have visited Romania over the last 18 months, and I think that I bring a unique perspective on recent developments to the Senate.

As I mentioned in my opening statement, that visit convinced me that there is much to lose and nothing to gain from suspending or terminating Romania's MFN status. These conclusions are based on five factors: the conversations that I and my staff had with all of the senior members of Romania's various religious bodies, the overall status of human and religious rights in Romania in contrast to the other East and southeast European states, the progress that has been made as a result of America's active engagement through the yearly renewal of MFN, the results of conversations with President Ceausescu and his officials, and the concrete progress we have achieved on the release of dissidents and on the printing of bibles.

All of the senior religious leaders in Romania told me that the loss of Romania's MFN status would be detrimental to the process of promoting greater freedom of worship in Romania. Further, each one, when queried, stated specifically that religious and human rights are promoted by the annual Congressional hearing process. Specifically, we were told that more progress has been made over the past 10 years -- through MFN -- than in any other time during the post-WWII period. I believe that these courageous and influential men are in the best position to judge the utility of MFN in promoting religious and human rights:

His Beatitude Dr. Justin Moisescu, Patriarch of the Orthodox Church (now deceased);

The Very Rev. Bishop Vicar Nifon M. Ploiestianul, Secretary for Foreign Relations at the Patriarchate, the Romanian Orthodox Church;

Rabbi Dr. Rosen, Chief Rabbi and President of the Romanian Jewish Community;

The Rev. Dr. Ioachim Tunea, Secretary for Foreign Relations, the Romanian Baptist Union;

The Rev Mihal Husanu, President of the Romanian Baptist Union;

The Rev. Dr. Vasile Talpos, Secretary of the Baptist Union;

Rt. Rev. Dr. Ioan Robu, Bishop of Celle, Apoltolic Administrator of the Roman Catholic Archdiocese of Bucharest;

Rev. Dr. Nicolae Gheorghita, Pastor, the Second Baptist Church of Oradea.

Romania is certainly not a haven of religious and human freedoms, nor is it the worst state in East and southeastern Europe in terms of these indicators. Rather, it ranks somewhere around the middle, with its observance of religious rights perhaps a bit better than its overall record on human rights in general. (Of course, with regard to emigration, Romania's record is the best in the Soviet Bloc.)

I offer this comparison to ensure that we keep criticism of Romania in perspective. It is a repressive state, and I was certainly not pleased with what I saw there; however, it is not unique in Eastern Europe. Unfortunately, many of the characteristics of its repressive system are all too familiar to those who know Soviet Bloc states, or other totalitarian states. However, Romania cannot be uniquely vilified. In fact, as I mentioned above, the very fact that we have so much leverage with Romania offers us better prospects of improving conditions in Romania. Indeed, the American strategy of differentiation gives the U.S. a better chance of promoting human and religious rights by keeping us actively engaged in the process, with leverage on our side.

For the vast majority of Romania's citizens, and I mean for more than 95% of them, the ordinary exercise of religion does not bring them into conflict with the government. They can be baptised, confirmed, married, and buried in the church without any sort of harassment. Ordinary church attendance is not restricted; indeed, the churches are overflowing on a regular basis across the country. There are difficulties in terms of securing building permits for church expansion, in securing, graduating, and licensing priests and ministers, in operating outside of the 14 denominations officially recognized by the state, but these difficulties don't touch the lives of the vast majority of ordinary observers in Romania.

Perhaps 100,000-200,000 individuals -- .008 percent of the population -- belong to religious bodies that have faced significant harassment. This is not to say, of course, that this many have actually suffered difficulties; in fact, the percentage of those most specifically affected is far fewer, perhaps several thousand. Those who do suffer almost always belong to the "unrecognized" faiths. Attempts to gather for worship by members of other than the 14 recognized faiths are treated as "illegal assemblies, with the participants sometimes arrested and fined. These tend to be Protestant congregations or individual pastors of the Baptist, Pentacostal, and Jehovah's Witness faiths. Paradoxically, these non-recognized faiths continue to function regularly in most cases. Other groups such as the Nazarenes, the Church of Latter-Day Saints (Mormons), the Uniates, and the Christian Scientists are unrecognized, but are small enough to avoid much active harassment, although they are certainly viewed by officials as suspect.

The growth of the "Neo-Protestant" religions -- especially the Pentacostals, the Evangelical Brethren, and "unofficial" Baptists -- during the past 15 years has led to continued friction with the government. However, I was pleased to find that the MFN process has allowed us to concretely assist these groups. For example, while we were in Romania we raised the issue of food and other parcels that were not reaching the Nazarenes, and the fact that cash transfers from the United States had not been received in Romania. I have now been informed that parcels are being passed through, and that money that was held up has now reached the Nazarenes in Romania.

My staff and I had more than thirty conversations with government officials, activists, and church officials on religious and human rights in Romania. We did our best to impress upon the government the seriousness of the threat to MFN, and the importance of improving performance on religious and human rights as well as on emigration. Indeed, I had an extended conversation with President Ceausescu on these issues. I raised many concerns, including the plight of the "unrecognized" Protestant churches, church demolitions, arrests and harassment of ministers, priests, and worshippers, the printing of bibles, among others. I was assured by President Ceausescu that progress would soon be forthcoming on two issues of great interest to Romania's harshest critics: the release from imprisonment of human and religious rights activists, and the printing of Cornilescu bibles.

I am most pleased to report that President Ceaucescu has followed through on both of these promises, as well as speeded up emigration approvals considerably. The names and numbers of prisoners released is part of the administration's testimony, so I won't repeat it here. However, I should indicate how gratified we were that so many important activists were released, and that the death of Patriarch Justin did not derail the extremely courageous and generous commitment made by the Orthodox church to print some tens of thousands of Protestant bibles over the next five years. As the Romanian government has not allowed the printing of Protestant bibles since 1928, I consider this success to be excellent progress, and a vindication of the MFN process.

In sum, there is not perfect religious and human freedom in Romania, nor should we expect to see such a state in the near future. However, after serious study of the matter, I still am not convinced that we should deny Romania's MFN status on that basis. Indeed, I was greatly encouraged by meeting the senior religious officials of Romania. They left me with the strong feeling that they are united in working to improve the lot of all believers in Romania, and that they warmly welcome and appreciate the efforts that the United States has made. They welcome the yearly scrutiny that MFN affords, and the explicit threat of its loss.

The MFN review process does work, not just as a means of keeping emigration as a real option to life under a repressive Communist system, but also as a prod for improving human and religious rights performance. We only need recall President Ceausescu's proposed Educational Tax and President Reagan's aggressive response that prompted its defeat, or his other proposal to remove the elderly to the countryside that died such a quick death. This years' rousing MFN debate is equally an indication of success. This will be the first time since 1928 that Protestant bibles will be printed in Romania. If that is not progress, I don't know what is.

I can't promise perfection in Romania in the future, but I do believe that there is good cause for maintaining its MFN status. We have made rare and tangible progress on emigration; progress that suspension or termination of MFN would prevent from occurring again. We retain substantial leverage, leverage that helps thousands of individual Romanians each year, leverage that offers hope for the future. Romania and MFN is also part of a much larger objective -- the desire by the West to encourage differentiation in Eastern Europe, differentiation that promotes human and religious rights, greater distance from the USSR, and greater commercial and human contacts with the West. We can most effectively pursue these goals through MFN, and like devices. Suspension and termination of MFN would only impoverish our capacity for influence. Finally, we can and do promote religious and human rights. I am proud of the small part that I have played in this endeavor this year, and hope that you will vote with me to continue Romania's MFN status.

STATEMENT OF JOHN W. CROSSLEY, DIRECTOR, EASTWATCH INTERNATIONAL, AND CHAIRMAN, CHRISTIAN RESCUE EFFORT FOR THE EMANCIPATION OF DISSIDENTS, ERWINNA, PA

Mr. CROSSLEY. Thank you very much. My name is John Crossley. I am the director of EastWatch International and the editor of Reference Point Reality, a human rights publication specializing in Eastern Europe and religious rights. I am also the chairman of the Christian Rescue Effort for the Emancipation of Dissidents.

It is within these capacities that I want to offer my testimony today, a testimony that reflects personal involvement with the religious life of Romania for more than 10 years. I have visited Romania over 25 times in the past years and four times within the last 12 months. I have established a wide range of personal contacts in Romania, and I am deeply appreciative for the opportunity to speak here today.

Because of careful analysis in the past, I have been an open critic of the extension of MFN status to Romania. However now, with equal concern, I want to boldly state that the MFN process has contributed to and continues to promote an environment in which religious life in Romania has been enabled to expand. Whereas I can appreciate the concerns of Members of Congress for the quality of life in Romania, those individuals who suggest that there has not been an improvement in Romania's religious situation are wrong, and they are dangerously close to making misguided decisions that will affect the lives of millions of people.

Because I am aware that many of the resolutions calling for suspension or cancellation of MFN status to Romania are motivated by concerns for religious liberty, I would like to draw to the attention of Congress certain facts that are necessary in order to have a proper perspective.

Firstly, Romania, like all Eastern European countries, has decided to control religions through the Government office of the Department of Religion. This is the same as in Yugoslavia, Hungary, East Germany, and Poland. This system is diametrically opposed to our constitutional ideals; and yet, as indicated by the lack of concern of the extension of MFN status to Hungary, let's say, it is not the system per se that raises our concerns.

The outcry about human rights in Romania is provided largely by a very vocal segment of the emigre community and, as a director of a human rights group which is involved with all the major groups worldwide, I know this to be the case.

These people are upset by the overall condition of their country, and they are crying out in frustration for something to be better. That something, perhaps more than anything else, is the betterment of the economic conditions of the country. A poor economy causes a great deal of ideological stress on an avowed materialistic regime, and the backlash manifests itself in many unwarranted directions.

In Hungary, as recently as the late 1960's and before the Hungarian economy became a showpiece in Eastern Europe, I was personally witness to police beatings of churchgoers and the disruption of meetings, events that no longer occur since the people are content and the Government no longer needs to fear them as a counterideology.

The broad problem in Romania is a social and an economic one and one that I would implore those Congressman who are genuinely concerned about human rights in Romania to help alleviate through greater cooperation.

Second, and though limited and certainly cost justified, there exists a certain responsiveness to Western ideals occurring in Romania. After the last congressional subcommittee meeting, I began to poll individuals inside Romania about their feelings concerning MFN. The results of this poll, I am sure, would shock many Members of Congress who are dependent upon the reactions of people who now reside in the United States for their information.

I would like at this time to read to you the urgent appeal of one Traian Dorz, who has spent over 17 years in——

Senator DANFORTH. Mr. Crossley, what I would really appreciate your doing—because we have given everyone a time limitation—and unfortunately, the history of these MFN hearings in the past is that everybody will tend to just go on and on.

Mr. CROSSLEY. Fine. I understand.

Senator DANFORTH. If you could just wind it up and submit that letter for the record, and then wind up your testimony.

Senator CHAFEE. Mr. Crossley, did you submit some testimony?

Mr. CROSSLEY. Yes, I did.

Senator CHAFEE. Thank you.

Senator DANFORTH. Go ahead, Mr. Crossley, but if you could wind it up, I would appreciate it.

Mr. CROSSLEY. All right. Basically, I would have to just excerpt something from his letter. This Traian Dorz is the leader of a 500,000 group denomination—500,000 people in Romania who meet without official representation. There is no other place in Eastern Europe where there is that type of fringe religious activity, and he quotes:

> I, Traian Dorz, together with all the members of the Army of the Lord in Romania, declare that at the present time we enjoy the freedom of having our worship meetings, prayer meetings, and weddings in public without any persecution or interference from the authorities of our government or from the orthodox church which, on the contrary, supports us. For this reason at this time, we are all content. We desire with all our hearts to make our appeal to the U.S. Senate and to the Government of the United States to continue to grant MFN status to Romania.

Thank you very much.

Senator DANFORTH. Thank you, Mr. Crossley. Reverend Collins?

[The prepared written statement of Mr. Crossley follows:]

EAST WATCH INT.

My name is John Crossley, I am the Director of Eastwatch International and the Editor of Reference Point: Reality, a human rights publication specializing in Eastern Europe and religious rights. I am also the Chairman of C.R.E.E.D, the Christian Rescue Effort for the Emancipation of Dissidents, whose offices are located in Alexandria, Virginia. It is within these capacities that I want to offer my testimony today, a testimony that reflects personal involvement with the religious life of Romania for more than ten years. I have visited Romania over twenty-five times in the past years and four times within the last twelve months. I have established a wide range of personal contacts in Romania and I am deeply appreciative for the opportunity to speak here today. Because of careful analysis in the past, I have been an open critic of the extension of MFN status to Romania, however, now with equal concern I want to boldly state that the MFN process has contributed to and continues to promote an environment in which religious life in Romania has been enabled to expand. Whereas I can appreciate the concern of members of Congress for the quality of life in Romania, those individuals who suggest that there has not been an improvement in Romania's religious situation are wrong and are dangerously close to making misguided decisions that will effect the lives of millions of people. Because I am aware that many of the resolutions calling for suspension or cancellation of MFN status to Romania are motivated by concern for religious liberty, I would like to draw to the attention of Congress certain facts that are necessary in order to have a proper perspective.

Firstly, Romania, like all East European countries has decided to control religion through the government office of the Department of Religion. This is the same as in Yugoslavia, Hungary, East Germany and Poland. This system is diametrically opposed to our constitutional ideals and yet as indicated by the lack of concern over the extension of MFN status to Yugoslavia and Hungary it is not this system per se that raises our concern. The outcry about human rights in Romania is provided largely by a vocal segment of the emigre' community and as a director of human rights groups which are involved with all of the major groups worldwide, I know this to be the case. These people are upset by the overall condition of the country of their origin and they are crying out in frustration for something to be better. That something more than anything else is a betterment of the economy. A poor economy causes a great deal of ideological stress on an avowed materialistic regime and the backlash manifests itself in many unwarranted directions. In Hungary, as recently as the late

1960's and before the Hungarian economy became a showpiece in Eastern Europe, I was witness to police beatings of church goers and the disruption of meetings, events that no longer occur because the people are content and the government no longer needs to fear them as a counter ideology. The broad problem in Romania is a social-economic one and one I would implore those Congressmen who are concerned about human rights in Romania to help alleviate through greater cooperation.

Secondly, though limited and certainly cost justified, there exists a certain responsiveness to Western ideals occuring in Romania. After the last Congressional Subcommittee meeting, I began to poll individuals inside Romania about their feelings concerning MFN. The results of the poll would, I am sure, shock many members of Congress who are dependent upon the reactions of people who now reside in the United States for their information. I would like, at this time, to read to you the urgent appeal of one Traian Dorz who has spent over seventeen years in prison for his faith and who is the leader of the Army of the Lord church; a church of over 500,000 members. That is more than all the other neo-protestant groups combined. He was delighted to have an opportunity to express his views as he feels the desires of the Romanian people are being misrepresented. The Army of the Lord has no official representation within the Department of Cults and that is in itself an example of genuine religious tolerance in Romania as such a degree of fringe religious activity exists virtually nowhere else in Eastern Europe.

I quote, "I, Traian Dorz, together with all the members of the Army of the Lord in Romania, declare that at the present time we enjoy the freedom of having our worship meetings, prayer meetings and weddings in public without any persecution or interference from the authorities of our government or from the Orthodox Church, which on the contrary supports us. So for this reason we are all content.

Everyone should know that we love our country, and we pray and work with perserverance for its welfare, being convinced that, 'In the peace and welfare of the city in which you live will you have welfare.' (Jer. 29:7)

With this belief, we desire with all our hearts, along with the entire Romanian nation, to make our insistant appeal to the

U.S. Senate and to the Government of the United States to give MFN to Romania.

We have the conviction that this will contribute, not just to all our welfare and happiness, but also to the promotion of a climate of peace and harmony among all people. Our desire and our plea is that the United States will give MFN to our country. We pray to God for all of you there who have to make a decision for us here in Romania that you will make the right choice. We pray that the Lord will give you wisdom to know that this is the only way which brings peace, understanding and harmony among nations."

(Beius Romania, July 1986)

This is the desire of the vast majority of Romanians today. It is an appeal to support an imperfect reality to be sure, but nonetheless one which the vast majority of believers in Romania support. I know this to be fact. My experience is not limited to a few visits to Romania or to hearsay. To continue MFN status to Romania is our only responsible choice as far as human rights are concerned and one I implore you to uphold. Do not be swayed by those who are not sufficiently informed and who want to make unrealistic changes with the waving of a wand or by those who want to make costless decisions for other human beings who in the end will have to pay a bitter price. Continue with MFN. It is an effective working tool for human rights and is at this time our only logical choice. Thank you very much.

STATEMENT OF REV. JEFFREY A. COLLINS, EXECUTIVE DIRECTOR, CHRISTIAN RESPONSE INTERNATIONAL, WASHINGTON, DC

Reverend Collins. Mr. Chairman and members of the subcommittee, I appreciate very much the opportunity to be here. On behalf of the board of directors of Christian Response International, we thank you for this opportunity.

My concern I will mention here this morning. I will submit written testimony, but my major concern is that, with the discussion so far this morning, it has mainly discussed the dramatic advances in the area of emigration that have been accomplished through most favored nation trade status.

Ambassador Ridgway mentioned 154,000 people have emigrated, and I would like to suggest very strongly that the greater majority of these people would not have wanted to emigrate from Romania had the situation been better for them politically and religiously in that country. With our present situation and tying MFN solely to the issue of emigration, we are giving financial inducement to the country to send its malcontents and those who are resisting the repression of that country to send them away from Romania.

Indeed, this is the case with Dorel Catarama, a Seventh Day Adventist who was just recently released in May, on May 28. It is also the case of Constantin Sfactu, whose family I visited in Romania, who was released on April 19 of this year after 1 year of imprisonment for distributing bibles.

They were released on the condition that they leave Romania; and now that they are in the process of leaving Romania, they are still being harassed by the Romanian Government. This is no solution to the problems confronting Christians inside the country. Having been there three times during the last 18 months on two different occasions with members of the British Parliament and members of the United States Congress. We visited churches which had been bulldozed on two occasions, just 30 days before we arrived on the scene.

The Congressmen and members of the British Parliament stood on the ruins of these churches and expressed solidarity and wept and prayed with these Christians, as we experienced their hurt. This situation continues in Romania. We have heard testimony already today, even from the U.S. Department of State, that the Sephardic Jewish temple was destroyed on July 21 without warning. There is a Seventh Day Adventist Church which is threatened similarly; and we are strongly encouraging U.S. Senators and U.S. Congressmen to support the bills to suspend MFN for a period of 6 months or less in order to create an increased type of leverage.

This is not ending MFN; it is simply suspending MFN for a period of 6 months or less, if the President feels that the situation has improved. And we feel that this would be the appropriate leverage at this time. Every Christian that we have spoken with inside Romania has also suggested that this would be the type of legislation that would accomplish the most for religious freedom in the country.

Senator Danforth. Thank you very much, Reverend Collins. Ms. Burkhalter?

[The prepared written statement of Reverend Collins follows:]

TESTIMONY PROVIDED BEFORE
SUBCOMMITTEE ON TRADE
COMMITTEE ON FINANCE
U.S. SENATE
AUGUST 1, 1986

REV. JEFFREY A. COLLINS
EXECUTIVE DIRECTOR
CHRISTIAN RESPONSE INTERNATIONAL

1 August 1986

Mr. Chairman and Honorable Committee Members:

On behalf of the Christian Response International Board of Directors, I want to thank you for the privilege to appear here before you today. After having organized several U.S. Congressional and British Parliament fact-finding trips to Romania, it is with deep concern for the Christians of Romania that we appear before you today. We plead with you to support Romanian Christians in their struggle for the most basic of human rights--that of religious freedom.

During the last 18 months I have stood with members of the U.S. Congress and members of the British Parliament on the ruins of bulldozed Romanian churches. We have spoken on several occasions with the families of Christian prisoners of conscience, men who were in prison simply because they distributed Bibles and Christian literature. There was ample evidence presented to us that men and women had been beaten, tortured and on occasion murdered, simply because of their faith in Jesus Christ.

While we are delighted that the Orthodox priest Father Gheorghe Calciu, the Baptist layleader Constantin Sfatcu, the Adventist Christian Dorel Catarama have been released from prison or house arrest, we are very disappointed that all three were released on the condition that they leave their beloved country. While we are happy that the Romanian government has just recently indicated that it will resolve more than a thousand emigration cases, we are concerned that many of these who have requested to leave Romania would not have done so if the policies of that government were no so terribly repressive. It must be pointed out that none of these recent developments indicate any significant change in the Romanian government's repressive internal policies towards its Christian communities.

We site the following examples to demonstrate the severity of the present situation:

PART I: CHRISTIAN PRISONERS OF CONSCIENCE:

(1) Ilie Neamtu: Neamtu is a layleader with the Ploesti Brethren Church. He was ordered not to preach. On June 30, 1985, he preached to his congregation: he disappeared on July 1, 1985. No one knew his whereabouts until late in January 1986. Neamtu has been charged with "embezzlement" from his factory. Christians in Ploesti say that the police have presented no evidence to support the charges. Neamtu's next court appearance is scheduled for March 5, 1986.

(2) Four Brethren Layleaders: In July, 1985, four layleaders from the Open Brethren Church were arrested for "illegally distributing" Bibles. On September 13 Nicula Levi, Cornel Mich and Elisei Ruse were sentenced to "one year socialist labor at a socialist labor institution without pay." Ilie Dociu was sentenced to 10 months "socialist labor without pay" for "attempted illegal distribution" of Bibles.

(3) Two Baptist Youth Held: On May 4, 1986 (Orthodox Easter), five young Baptist men from different parts of Romania were visiting the Baptist Church in the city of Timisoara. Three of the young men were on their way to the train station to return home when they were apprehended by the Romanian secret police. They were taken to the police station. The other two men were also brought to the police station where, according to reliable sources in Timisoara, "Their heads were beaten against a table until blood flowed from their noses, mouths and ears. This was an attempt to make them sign a confession that they were planning to illegally cross the border--to escape." Two of the young men, Paul Gavriliuc and Gigi Mocanu were held for more than one month in jail.

PART II: STATE DEMOLITON OF CHURCHES AND REFUSAL OF BUILDING PERMITS:

(4) Bistrita Baptist Church: On November 3, 1984, Bistrita Baptist Church, Bistrita, Romania, was demolished by the Romanian government. On December 13, 1984, U.S. Rep. Mark Siljander (R/MI), Members of the British Parliament David Atkinson

(Conservative) and Thomas Clarke (Labor) and CRI Executive Director Rev. Jeffrey A. Collins led a religious service along with other congressional and White House staffers and more than 300 Romanian Baptist believers. The American/British delegation saw for themselves the ruins of Bistrita Baptist Church. The religious service lasted three hours. The next day the CRI delegation pleaded with Romanian officials in Bistrita and the district city of Cluj to rebuild Bistrita Baptist Church. At that time they assured the group that the rebuilding would begin by April, 1985. In April, 1986 the congregation informed Christian Response International that they have received only a building permit to construct a house on the sight. Needless to say, this is not a satisfactory solution to a congregation which needs an auditorium with a seating capacity of 1,000.

(5) The Second Baptist Church of Oradea: Located in Oradea, this is the largest Baptist church in all Europe. The building which seats 1,500 is being torn down in an "urban renewal" project. The government refuses to give the congregation a new building that is suitable for the growing church. In July, 1985, U.S. Reps. Frank Wolf (R/VA), Tony Hall (D/OH) and Chris Smith (R/NJ) accompanied Jeff Collins to visit this church. Meetings were held with the Mayor and First Communist Party Secretary of Oradea. The officials agreed to help the congregation relocate, but as of this date no significant progress has been made. Information received just yesterday indicates that this congregation is being offered a permit to build an auditorium with a seating capacity of 1,500--suitable only for half the present average attendance. The realistic need is for an auditorium with a seating capacity of 2,500. Even this, within two years, would be too small to accomodate this growing church.

(6) Giulesti Baptist Church: This Baptist church, located in suburban Bucharest, was 50 percent demolished on June 4, 1985. Just one month prior to the demolition of the church, the congregation was visited by a CRI delegation including CRI/US board president Kentucky State Senator Gene Huff and Rev. Jeffrey Collins. Church leaders explained that they had attempted for several years to get a proper building permit to enlarge their facility, but their requests had fallen on deaf ears. Out of frustration the church began building to facilitate the hundreds who attended Sunday services. The government response was to level most of the building and then to torture the architect and deacon and order the pastor Rev. Buni Cocar out of town. On July 1, 1985, Rev. Jeff Collins along with U.S. Reps. Frank Wolf (R/VA), Tony Hall (D/OH) and Chris Smith (R/NJ) spoke on the ruins of Giulesti Baptist Church. A TV camera crew from the "700 Club" filmed the service

(7) Tiganesti Baptist Church: This Baptist Church is located on the outskirts of Alexandria southwest of Bucharest. The building was totally destroyed in the 1977 earthquake. The congregation has been unable to get a permit to rebuild, even though the congregation is willing to supply building materials and labor to do so. They presently meet in a tent (recently upgraded to a rickety lean-to) in subfreezing temperatures.

(8) The Pentecostal Church of Medias: This congregation tried several times to get a building permit. After many unsuccessful attempts they began construction without the permit. They managed to finish the foundation and the basement; then local authorities forced them to stop Since they have met for worship in the basement.

(9) The Baptist Church of Gaujani: Authorities refused permission for this congregation to build. The elder of the church, Ioan Popescu, built a house for his son in 1984. Then they decided to allow the church to use the house for a meeting place. The authorities confiscated the house in the fall of 1984. It was transformed into a kindergarten.

(10) The Baptist Church of Resita: This congregation of 800 members has been petitioning the authorities for 25 years for a permit to enlarge their building. They squeeze into an auditorium with a

seating capacity of 100. In 1983 the auditorium was extended to include a small storage shed at the back of the building. The police came with bulldozers and demolished the extension. For many years the authorities said that the reason for not giving them the permit to build was the lack of a proper site for relocation. When the church bought a new site, at the suggestion of the city officials, a building permit was refused, stating that it was "just remembered" that particular section of town has now been reserved for other purposes.

(11) The Baptist Church of Hateg: This is another significant case. Again, the church has more than 700 members; however, the auditorium is designed to seat 60! For ten years Rev. Peter Dugulescu has repeatedly requested permission at all levels to build a new church. He impressed authorities with his persistence and politeness. They encouraged Pastor Dugulescu and made promises. Dugulescu began designing the new building and making plans for construction. Dugulescu has now been informed that a new church will never be built in Hateg.

(12) The Pentecostal Church of Timisoara: The congregation has 4,500 members. Their building only seats 800. Thousands listen by a PA system standing in the courtyard and in the street for the services. For years the pretext the authorities gave for denying them a building permit was that they did not have money in the bank for construction costs. The church collected the money and deposited 2 million lei at the state bank. The church still has not received a permit to build; neither can they get their money back from the bank because it has gone into an account earmarked for "building."

Other major church building concerns:

(13) Baptist Church of Crusovat (Caras Severin)
(14) Baptist Church of Bucosnita (Caras Severin)
(15) Baptist Church of Girdoaia (Mehedinti)
(16) Baptist Church of Obirsia-Closani (Mehedinti)
(17) Baptist Church of Filiasi
(18) Baptist Church of Fratos Tita
(19) Baptist Church of Cetate
(20) Baptist Church of Motru
(21) Baptist Church of Pades Closani
(22) Pentecostal Church of Tirgu Mures
(23) Baptist Church of Negreni (Cluj-Napoca)
(24) Cimpea Turzii Pentecostal Church
(25) Cluj Baptist Church

PART III: NON-RECOGNITION OF RELIGIOUS GROUPS:

(26) The Uniate Catholic Church: Since the Communist Revolution this church, while still recognized by Rome, does not have legal status in Romania. All priests and nuns have been forced underground. Many have died while undergoing torture.

(27) The Church of the Nazarene: An evangelical denomination has not been given legal status in Romania. The membership in Romania is discriminated against in areas of education, housing and employment.

PART IV: VIOLATION OF HELSINKI ACCORDS GUARANTEES OF HUMAN CONTACTS:

(28) CRI has learned from reliable Romanian sources that President Ceausescu in December 1986 declared it would no longer be possible for foreign Christians to develop close contact with Romanian Christians. "Decree 408" restricts the rights of Romanian citizens to contact foreigners and prevents foreigners from speaking in Romanian churches without "proper authorization" from the Department of Cults in Bucharest. CRI is told that because of feared reaction in the West, this decree will remain unpublished but that leadership in various districts will give notice to local churches and citizens groups as to how the law will be applied in their area. The Pentecostal Church of Romania has been notified that if they are found to violate this law by

having foreigners speaking without the proper authorization from Bucharest, the entire denomination would be in danger of losing its official recognition status. We have recently heard that enforcement of "Decree 408" has not been implemented, but there is no assurance that this new law has been revolked.

(29) Father Ilarion Argatu: An Orthodox monk now being held under house arrest at the Monastery of Cernica. In 1979 an attempt was made by the Romanian secret police to poison Argatu. In 1981 the secret police tried to kidnapp Argatu, but women at the scene began shouting preempted the police from taking Argatu with them. In 1985 Argatu was moved to Psychiatric Hospital #10 in Bucharest. (Hospital #10 specializes in schizophrenia and aged mental deseases.) This was to prevent Argatu from meeting with Father Gheorghe Calciu who was being held under house arrest in Bucharest. Argatu was released in January 1986 and has since been held under house arrest at the Monastery of Cernica.

PART V: VIOLENCE AGAINST AND ATTEMPTED ASSASSINATIONS OF CHRISTIAN LEADERS:

Several Christian leaders including the Catholic priest Father Geza Palfy, Baptist, Pentecostal and Orthodox Christians have died under mysterious circumstances during or shortly after police interrogations. Deaths were caused by hanging, beating or arranged accident.

(30) Rev. Peter Dugulescu: Dugulescu is the pastor of Hateg Baptist Church. In October 1985 Dugulescu and his wife were waiting at a traffic intersection in Hateg. When the traffic signal turned green they proceeded. When in the middle of the intersection a city bus without passengers rammed full speed into the driver's side of the car. Dugulescu suffered a broken arm and his wife was terribly bruised. No attempt has been made by city officials to investigate. CRI has been informed of attempts to cover up the incident.

(31) Rev. Vasile Talos: Talos pastors the large Sfinte Trieme Baptist Church of Bucharest. On March 8, 1986, Talos' car was hit by a public truck. Talos received severe injuries to his head. No attempt has been made by authorities in Bucharest to investigate the incident. Local Baptists tell CRI that this was a deliberate attempt to murder Talos, a well respected Baptist leader.

EMIGRATION CASES IN VIOLATION TO THE JACKSON-VANIK AMENDMENT:

(32) Father Gavrila Stefan: An Orthodox priest who was defrocked in 1974 by the Romanian Orthodox Church in cooperation with the Ministry of Cults in Bucharest. He has been denied the right to work for more than ten years. He lives with his wife and eight children in abject poverty and misery. Stefan has been denied the right to travel into Bucharest because of his attempts to contact the American embassy there and the family of Father Gheorghe Calciu. The American embassy indicates that Stefan has been approved for immigration to the United States; however, Romanian authorities refuse to issue the necessary exit passport that would make this possible.

Mr. Chairman and Committee Members, economic retaliation against a nation is a serious matter. It is not a course of action which should be taken quickly, but one which must be carefully considered. It is a last resort. We believe, however, that the weight of the afore mentioned evidence begs for such action in the case of the Socialist Republic of Romania. We, therefore, call upon the members of the Senate Finance Committee to endorse S. 1817 sponsored by Senators Paul Trible and Bill Armstrong (R/CO). S. 1817 is designed to simply suspend Romania's Most Favored Nation trade status for a period of six months or less if the President feels that there has been significant progress in the area of human rights and in particular religious freedom. We believe that S. 1817 represents the best possible use of economic leverage in gaining the release of additional Christian prisoners of conscience, in negotiating the rebuilding of Romanian churches, and in assuring an increase in the overall freedom of Romanian Christians in general. On the other hand, to recommend still another year of U.S. economic assistance to the Socialist Republic of Romania, is to assure, through financial assistance, that the Romania government will carry out one more year of state terrorism against its own population. I pity any capitalist corporation or free government that would seek to profit at the expense of human distress and misery. Such il-conceived behavior on the part of the U.S Department of State and the international banking and corporate community can in no way be excused.

Romania at this very moment not only continues to strictly control every religious group within its borders, but also actively seeks to imprison, torture and on occasion murder Romanian Christian leaders. Why should our government continue to prop up a regime that shows absolutely no desire to moderate its repressive efforts to silence the Church and no change of attitude in its desire, through the use of intimidation, persecution and violence, to prevent the spread of the Christian Faith?

--END--

Response

Christian Response International May-June 1986

U.S. Affiliate of Christian Solidarity International, Zurich, Switzerland

Box 24042, Washington, DC 20024 (301) 984-8707

Constantin Sfatcu

Dorel Catarama

Vladimir Poresh

Through Prayer and Action . . .

THEY ARE FREE!

The Romanian Baptist lay-leader Constantin Sfatcu, Seventh-day Adventist Dorel Catarama, also of Romania, and the Orthodox Christian Vladimir Poresh of the Soviet Union have been released from prison.

SOVIET PRISONER FREED. Poresh has returned home to Leningrad, according to reliable sources in the Soviet Union. He was released on February 20 and is said to be in good health. The Supreme Court of the Tarter ASSR acquitted Poresh of additional charges that had been filed against him by Soviet authorities in 1984.

Poresh, 37, was arrested in August 1979 and sentenced to five years' deprivation of freedom, which he served in both prison and labor camp. In addition, he was given a sentence of three year's internal exile. In July 1984 he was rearrested while serving time in Chistopol Prison and on October 23 sentenced to an additional three years to be served in a labor camp.

Poresh was a member of the Christian Seminar, a discussion group for young Christians which met in Moscow between 1974 and 1980. He contributed to the Seminar's *samizdat* journal OBSHCHINA (Community). He is married and has two young daughters.

ROMANIANS REUNITED WITH FAMILIES. Romanian officials visited Constantin Sfatcu in his prison cell on April 19. He was told that his case had been retried during the night. His sentence had been reduced from four-and-a-half years to only one year. Since he had already been held for one year, he was, therefore, free to go.

Sfatcu was taken to the train station and sent home to his wife Estera and his son and daughter in the city of Iasi.

Sfatcu was arrested on April 19, 1985. He was found driving

Continued on page 2

330,000 MARTYRS IN 1986

In his latest statistical table on global mission, Southern Baptist missions research analyst David B. Barrett determines that 330,000 Christians will die in 1986 because of their personal commitment to Jesus Christ.

MARTYRDOM ON THE INCREASE. "The annual numbers (of martyrs) involved throughout the twentieth century are far higher than any of us had hitherto imagined," explains Barrett. "Martyrdom

Continued on page 3

NEPAL TRANSCRIPTS OUT MORE ARRESTS, BEATINGS

Members of the British Parliament David Atkinson and David Alton turned over copies of legal transcripts documenting the torture of Nepalese Christians to the British Foreign Ministry and to the Foreign Ministry of Nepal. The legal statements were transcribed from the testimonies of fifteen witnesses who addressed the Christian Response International (CRI) fact-finding delegation in Nepal in January.

TORTURE DETAILED. The transcripts describe vividly the brutal torture of Nepalese men and women who seek to openly practice their faith in Jesus Christ in this Hindu nation. One minister describes how "two policemen took two raw green bamboo sticks" and beat him. The minister said, "The blood from my nose and mouth started dripping to the floor, and after I began to see the blood forming in a puddle I went unconscious, and I don't remember what else was done to me."

Another witness describes the arrest of a three-year-old girl because "she was observing Christianity." When questioned by Attorney Eddie Roush of Austin, Texas, as to what the witness meant by "observing Christianity," the one who was testifying responded, "... because she was singing Christian songs." The little girl was forcibly separated from her parents and kept in the police station for six days.

NEW ARRESTS. CRI has learned that as late as April 5, 1986, more arrests and beatings have occurred. A Catholic priest and two nuns were apprehended by Nepalese officials on that date. Following severe beatings these three persons along with four local Christians, were marched by Hindu police for four hours through jesting crowds. According to the report supplied to CRI by Rev. Charles Mendies, "All the way they were jeered and mocked following the announcement by the police that they were 'Christian dogs'."

OUR CHRISTIAN RESPONSE. Spend time praying for the Church in Nepal. And write a letter to U.S. Secretary of State George Shultz. Ask Secretary Shultz to express your concern regarding these tragic events to the leaders of the Kingdom of Nepal. Address this request to:

The Honorable George P.
Shultz
Secretary of State
US Department of State
Washington, DC 20520 ■

Egyptian Christians Held

Reports continue to reach the CRI office regarding the arrest of four Egyptian Christians who left Islam for faith in Christ. Eman Mustafa Tawfiq, a Christian woman who converted from Islam in 1978, was reportedly arrested by police in Cairo on January 8, 1986. She is currently being held in Qalyubia Prison together with her two sisters, Nagwa Mustafa Tawfiq and Ibtisam Mustafa Tawfiq who were arrested on January 25.

The American Coptic Association reports that a fourth convert to Christianity, Dr. Samir Abdul Bari, the husband of Ibtisam Tawfiq, was also detained on January 25. However, Dr. Abdul Bari's present whereabouts is unknown.

Reliable reports indicate that the four Christians have been charged with "despising Islam." Eman Mustafa Tawfiq is said to be facing an additional charge of "proselytizing and dividing national unity."

All four believers are members of the Copic Evangelical Church, the largest Protestant denomination in Egypt. Egypt has a substantial Christian minority of 8 million, most of whom belong to the Coptic Orthodox Church.

EGYPT IN VIOLATION OF INTERNATIONAL ACCORD. Egypt ratified the International Covenant on Civil and Political Rights in 1982. Article 18 of this international agreement states: "Everyone shall have the right to freedom of thought, conscience and religion. This right shall include freedom to have or to adopt a religion or belief of his choice, and freedom, either individually or in community with others and in public or private, to manifest his religion or belief in worship, observance, practice and teaching."

OUR CHRISTIAN RESPONSE: Express your concern to Egypt's ambassador to the United States. Write a letter at once to:

His Excellency El Sayed
Abdel Raouf El Reedy
Embassy of the Arab
Republic of Egypt
2310 Decatur Pl, NW
Washington, DC 20008 ■

They're Free-*From page 1*

a car which contained more than 600 Bibles and children's books. The car, which belonged to a Baptist minister, and the religious literature were confiscated. Sfatcu was falsely charged with the "attempted murder of a police officer." During trial proceedings the charge was dropped for lack of evidence, but Sfatcu still got a stiff sentence.

Dorel Catarama, 25, was freed from prison on May 28 after serving only four years of a fourteen-and-a-half year sentence. He has now returned to his wife and son in the town of Oituz. Catarama was falsely charged with "stealing from his factory" and was sentenced to 10 years in prison. (This was done even though the Romanian secret police knew that Catarama's employer and fellow workers had signed written declarations about his honesty.) Christian Response International (CRI) and Amnesty International feel the real reason behind Catarama's sentence was his religious activity with the Adventist church in Oituz. In 1983 Catarama's sentence was increased, without due process of law, to fourteen-and-a-half years.

PRAYER AND ACTION: A VICTORIOUS COMBINATION. CRI joined with other concerned Christian organizations to protest the arrests of Sfatcu, Catarama, and Poresh. CRI appeals for prayer and action on behalf of these Christian prisoners of conscience have gone out from CRI offices in Switzerland, England, France, The Netherlands, West Germany, Austria, Kenya, India, and South Korea. Thousands of people have been involved in intercessory prayer and letter-writing. And our Sovereign God has delivered into our hands this great victory!

Editor's Note: While we greatly rejoice in the release from prison of both the above mentioned Romanian Christians, it must be noted that the releases were conditioned upon their leaving Romania. The Romanian government's repressive attitude towards religious groups within the country has not changed. Major church buildings in Oradea and other cities are facing demolition by the government and the distribution of Bibles and Christian literature is prohibited. Seminaries are under strict government control, and it is reported by reliable sources that in December, 1983, President Nicolae Ceausescu handed down "Decree 408" which forbids foreigners to speak in Romanian churches without permission from the Ministry of Cults. All of these restrictions on religious groups are in direct violation of the International Covenant on Civil and Political Rights which was ratified by Romania. ■

STATEMENT OF HOLLY BURKHALTER, WASHINGTON REPRESENTATIVE, HELSINKI WATCH, WASHINGTON, DC

Ms. **Burkhalter**. Thank you, Mr. Chairman. I have a statement and I would be grateful if you would include it in the record. It is quite detailed on a number of human rights issues that have been discussed by the other panelists.

The Helsinki Watch's concerns about Romania were heightened last week when a member of our board and a member of the board of the America's Watch, our companion organization, was thrown out of Romania. He was there as a tourist, but he was hoping to talk with Romanian citizens about the issues that are before you today and was hustled out of the country along with his Romanian speaking traveling companion. It is a difficult issue, and that experience reminded us again of the country's inaccessibility to human rights groups, which is a key concern of ours, as I have mentioned in our testimony.

I would like to say, though, that our views are mixed on the MFN question, as you will see from our statement, which I am afraid has a rather schizophrenic flavor to it. It reflects our feelings that leverage will be lost altogether if MFN is lost, and I know that is what is on your minds and on the minds of the State Department as well.

Along those lines, if I could just speak to the legislation a little bit. It is not clear to me, after talking with numerous staff people that the 6-month suspension legislation would indeed be actually an end to the MFN or whether it could be resumed without an act of Congress. Secretary Ridgway indicated that she believed—her interpretation of the legislation was that—it would require an act of Congress, and I think she came to the conclusion—which would be mine—that that wouldn't be possible in this climate.

Senator **Danforth**. Pardon? That it would not be?

Ms. **Burkhalter**. That it wouldn't be possible. That once it was revoked, we would not expect a majority in the House and Senate to give it back. However, some of the staff that were involved in the drafting of the bill itself said, no, that is not what would be required. It would simply be a stay for several months and a reevaluation of the human rights record. I am not a legislative draft person; I am a human rights advocate, but if the legislation is considered—if I may be so presumptuous as to suggest that a technical amendment or some clarification on that point—would be particularly appropriate because we do favor a more serious process and a strong statement of Congressional concern so that the MFN process won't be pro forma, so that maximum leverage could be achieved through the process.

I leave it to your good staff to address that particular issue. I think I will just stop right there; and if you have any questions, I will be happy to respond to them.

Senator **Danforth**. Thank you very much. Mr. Koszorus?

[The prepared written statement of Ms. Burkhalter follows:]

HELSINKI
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HW

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Holly J. Burkhalter
Washington Representative

Human Rights in Romania

Testimony of Holly Burkhalter

Before the Senate Subcommittee

on International Trade

August 1, 1986

My name is Holly Burkhalter. I am the Washington Representative of the U.S. Helsinki Watch Committee. Our organization monitors compliance with the human rights provisions of the 1975 Helsinki Final Act.

Helsinki Watch has issued reports on Romania since 1981 and has testified regularly at Congressional MFN hearings on Romania since 1983. Until May of 1985 our recommendation did not vary: despite gross and continuing human rights abuse in Romania, we urged that MFN be continued as the only means of leverage available to the United States in trying to bring about human rights improvement in Romania.

Last July, having watched the human rights situation in Romania continue its decline into unremitting misery for the majority of Romanian citizens, we changed our recommendation. In written testimony submitted to the Finance Committee of the U.S Senate on July 23, 1985, we called on the U.S. government to end Most Favored Nation status for Romania.

This year the situation is different, and we have been forced to reconsider our position. Indignation at Romania's human rights violations has been growing in the United States and there are a number of bills on Romania, some calling for an end to MFN, now pending in Congress. The repeal of Romania's Most Favored Nation status no longer seems an unrealizable threat.

Helsinki Watch is affiliated with the Fund for Free Expression and with Americas Watch
The Lawyers Committee for Human Rights is Counsel for Helsinki Watch
Helsinki Watch is a founding member of the International Helsinki Federation for Human Rights

Quite frankly, members of Helsinki Watch find themselves in a quandary vis a vis MFN and Romania. On the one hand, Romania remains one of the most closed societies and egregious offenders of human rights in Eastern Europe. Three factors unite in Romania to make life unbearable: 1) Communist totalitarian control as repressive as any in Eastern Europe; 2) a "cult of personality" surrounding President Ceausescu who demands not only loyalty from his subjects but adulation and has surrounded himself with the luxuries and privileges of royalty; and 3) the insane imposition of financial hardships on the Romanian people, aimed at reducing Romania's huge international debt at the expense of the very lives of its citizens. Given this picture, one asks, why should we continue to support the Ceausescu regime by granting it Most Favored Nation status?

And yet, if we end MFN once and for all, what good will this bring us or the Romanian people? We will have lost an annual forum for airing Romanian human rights abuses; we will have lost whatever leverage the U.S. State Department can apply in trying to bring about human rights improvements in Romania; we may drive Romania into still further reliance on the Soviet Union and destroy its small gestures of independence within the Warsaw Pact. In addition, we will leave the beleaguered Romanian people with the feeling that they have been abandoned by the United States, one of their few sources of hope. It appears that it will be next to impossible to restore MFN, once it has been revoked.

These considerations have led the Helsinki Watch Committee to reconsider its position of July 1985. Our Board now suggests a compromise: a suspension of Romania's MFN status for a period of six months, to be followed by a re-evaluation. MFN would be renewed only if Romania were to demonstrate in a six-month period its commitment to internationally recognized human rights. We ask specifically that Romania (1) cease interrogating and harassing Romanian citizens who have contacts with foreigners and repeal legislation aimed at preventing such contact; (2) remove restrictions on religious freedom, including restrictions on religious education and literature; (3) ease emigration rules and cease the extra-legal persecution of prospective emigrants; (4) remove restrictions on Hungarian schools and universities and other measures aimed at suppressing the cultural identity of the Hungarian minority in Romania; (5) eliminate discrimination against elderly people with regard to medical treatment and other public services; and 6) permit independent human rights fact-finding missions, including the Helsinki Watch Committee, to visit Romania, in order to verify any steps taken to improve the human rights situation there.

We also suggest that the six-month suspension be followed by a review during which it is determined whether or not MFN should be renewed or whether the suspension should be extended for another six-month period.

In the past, threats to revoke the MFN status of Romania have resulted only in deception and manipulation on the part of the Romanian government. The MFN hearings have become the forum for such manipulation. Eager to see MFN continue, Romania regularly makes small human rights gestures just before the MFN review period and then, after MFN has been renewed, lapses back into its previous disregard for human rights and for any assurances it may have made to the U.S. government.

Given the severe economic problems facing Romania today, perhaps the temporary suspension of MFN would jolt the government into action while giving it a chance to take real measures to retrieve not only its MFN status with the United States, but its own self-respect and humanity.

A summary of some of the major human rights abuses in Romania follows, dealing with the areas of freedom of expression, freedom of movement, freedom of religion, political prisoners, workers rights, minority rights and the invasion of privacy.

I. Freedom of Expression

Freedom of expression, including freedom of speech and of the press, does not exist in Romania. The Securitate (secret police) maintains such tight control over all forms of expression that it is virtually impossible to carry on any kind of communication that may be deemed hostile to the state.

There are no human rights monitoring groups in Romania. Efforts to form a Helsinki group in 1977 by writer Paul Goma ended in his expulsion from Romania and the arrest and imprisonment of his associates. The government policy has been to exile or imprison all citizens who attempt to gather and disseminate information on human rights violations.

In an effort to prevent the publication of *samizdat* periodicals, citizens are required to register their typewriters with the authorities, and the use of duplicating machines is greatly restricted. The effectiveness of these restrictions can be measured by the fact that Romania is one of the only East European countries in which *samizdat* is almost nonexistent. In fact, the only known *samizdat* publication in Romania is the Hungarian Press of Transylvania (HPT).

> -- the author of a *samizdat* book, *Adevarul* (The Truth) which was critical of the Ceausescu regime, was arrested in June 1984. There is no evidence indicating that he was tried or sentenced, but there has been no information as to his condition or his whereabouts since his arrest.

Art is used as an instrument of propaganda. Independent cultural activities are considered to be dangerous to the state, which encourages instead a mass culture designed to promote its interests.

Publication of books has been sharply reduced due to the severe paper shortage in Romania. Because of currency restrictions, few translations of foreign writings -- even from Communist countries -- are available. Books are censored by an office called the Council for Culture and Education. Those that are deemed critical of certain aspects of Romanian life never reach the printing press. The work of some of the best known Romanian writers, artists and musicians can be found only on the black market, imported from abroad.

II. Freedom of Movement

The Romanian government does not recognize the right of its citizens, guaranteed by the Helsinki Final Act, to leave and return to their country freely. The only recognized ground for emigration is family reunification. Nevertheless, many thousands of Romanians have applied to emigrate. Applicants include not only persons seeking family reunification, but also those seeking religious, political, artistic and ethnic freedom. In 1985, 17,312 Romanians emigrated to the U.S., West Germany and Israel. Such requests for emigration may be said to constitute the only large-scale independent activity carried on by Romanian citizens that the authorities have proved unable to halt.

There are many obstacles on the road to emigration. The application process is long, complicated and arbitary. Prospective emigrants are sometimes prevented from applying to emigrate for months or years on procedural grounds constructed by the state. More important, prospective emigrants risk almost certain reprisals: official harassment, public denunciation, demotion, loss of employment, loss of housing, loss of public services and, often, arrest. Delays of two to three years in obtaining a passport -- and sometimes substantially longer -- are not uncommon. The following case is typical:

> -- Gabriel Galateanu, his wife and their child, have asked to emigrate to the U.S. since 1980. After several attempts, they finally received their passports. However, their passports were confiscated in August 1985. They were thus in an extremely precarious situation, without means of survival. Under these circumstances, they began a hunger strike in order to obtain their passports. The authorities have threatened them with prison. No further information is available.

If, as is often the case, a person is fired from his/her job after applying to emigrate, charges of "parasitical" or "anarchic" conduct can be brought under decree 153/1970. Conviction under this decree can result in imprisonment or "corrective labor without deprivation of liberty." This latter penalty means that the person is assigned to a particular place of work, often far from his or her home, with greatly reduced wages. Permission from the local militia is required in order to leave the assigned area.

In addition to the sanctions mentioned above, incidents of bribes and forced payments -- often in hard currency -- continue to be reported. Applicants must also sell all their property at fixed, and substantially lower, government rates, and they are not permitted to take any funds out of the country.

Those who try to leave the country illegally are charged under Article 45 of the Criminal Code -- "fraudulent crossing of the border" -- an offense punishable by imprisonment or corrective labor for periods from six months to three years.

> -- Horst Hirling, his wife Erika and their four children, have sought permission to emigrate to West Germany since 1981. After requesting to emigrate, Hirling was fired from his job. After receiving only refusals to his requests to emigrate, he tried to cross the Yugoslav border illegally in October 1983. Hirling was caught by the authorities, beaten and sentenced to nine months imprisonment. He finished his prison term, but has been unable to find employment.

The ability of Romanian citizens to change their places of residence within the country is also restricted. It is illegal to move to another town or even to another district within the same city without approval of the authorities. The power to grant or deny residence permits is often used as a method to harass activists, and in particular religious activists.

II. Freedom of Religion

After Poland, church attendance in Romania is considered to be the largest in Eastern Europe, and may well reflect disaffection from Party ideology. The Ceausescu regime has sought to capitalize on the high rate of church attendance by claiming that this proves there is religious freedom in Romania. In fact, restrictions on religious practice in Romania are among the most severe in Eastern Europe.

Of the 60 denominations that existed in Romania before World War II, only 14 are currently recognized by the government. Romanian Orthodox, Roman Catholic, Lutheran, Calvinist, Unitarian, Baptist, Pentecostal, Seventh Day Adventist, Jewish and Muslim groups are among the officially recognized sects.

The government agency that monitors religious activity -- and reports directly to the Central Committee -- is known as the Department of Cults. This Department works closely with the Securitate. The Department of Cults not only controls the activities of the recognized religions; it also effectively controls church finances, to the point of paying the salaries of the clergy.

Religious instruction is actively discouraged in Romania, and the role of priests and pastors is strictly defined. Only the Department of Cults is authorized to print and distribute Bibles, and it does so in vastly inadequate numbers. The result is that religious literature is virtually inaccessible to believers in Romania. Distribution of such literature by unauthorized individuals is punishable by severe prison terms.

The government's tight control over the distribution of religious materials has led to a number of cases of "Bible smuggling." Those arrested for this offense are imprisoned for violating the official restrictions.

The Romanian Orthodox Church has by far the largest following in Romania, with approximately 16 million members or 70 percent of the population. It is not subject to the sort of persecution that the state inflicts on other denominations. This is due, in part, to its traditional role throughout Romanian history, but mainly to the accomodations it has made to the regime.

The membership in the Roman Catholic Church is comprised largely ethnic Hungarians and Germans, and numbers about 1,200,000. Though it is officially recognized, this church is subjected to continual harassment.

Perhaps the largest minority church in Romania is the Reformed Church in Transylvania, composed primarily of ethnic Hungarians and officially numbered at 700,000. Other estimates indicate that the number is closer to one million. Like the Roman Catholics, members of the Reformed Church face persecution.

-- Father Gaza Palfi, a Hungarian priest who worked in Odorhei, in Transylvania, was allegedly murdered by the Security Police. Father Palfi gave a sermon at a midnight mass on Christmas eve 1984 opposing the government's decision to declare Christmas a working day. He reminded his congregation that in Hungary, Christmas was an official holiday. The following day, he was arrested and severely beaten, particularly around his liver. He was taken to a clinic in Tigru Mures, where he died two months later, in late February. The autopsy was not made public, and the death certificate stated that he died of liver cancer. Two hundred and six priests gathered in protest at his funeral.

The Evangelical Christian churches -- Baptists, Pentecostalists and Seventh Day Adventists -- have long been singled out among the recognized churches for especially harsh treatment. Church buildings have been demolished for petty infractions of the building codes. Families have been evicted for holding "illegal" or "unauthorized" services. Entire congregations have been fined, and religious activists have been imprisoned.

-- Aurel Florea, a 33-year old Pentecostal from Rupea, has been attacked and beaten by unknown assailants some four times in the past two years. He has been dismissed from his job on accusations of being "mentally ill." Florea used to spend much of his free time visiting other churches in different parts of the country. After one visit in January 1984, he was fined 1000 lei for "attempting to attract proselytes to join the Baptist religious sect." He was attacked later that same day and received injuries that made him unfit for work. The next attacks came on January 10, 1985, on July 10 and on October 14. His friends and relatives are very concerned about his physical and mental condition.

As difficult as circumstances are for the recognized churches in Romania, they are far worse for those who belong to the non-recognized denominations. Two major churches -- the Catholic Church of the Byzantine Rite and the Army of the Lord -- are officially banned. Other banned groups include smaller sects such as the Jehovah's Witnesses, Mormons, Christian Scientists and the Romanian Uniate Church. The nonrecognized faiths are not allowed to hold services and are subject to severe penalties if they do. Participants in such "illegal" services are often arrested or fined on charges of "illegal assembly" or "disturbing the peace."

The Romanian government's practice of demolishing church buildings and historic monuments has been going on for some time. Various reasons are given -- from the building of a new civic center in downtown Bucharest to infractions of the building codes -- but the ultimate purpose seems clear; to stamp out evangelical activism and to erase the religious past of Romania.

-- The Spanish Synogogue in Bucharest was demolished by Romanian authorities on July 21-22, 1986.

-- A Baptist church in Bistrita was partially demolished by the authorities in November 1984 and has not been repaired.

-- A Baptist church in Blaj was demolished in October 1985 for building code violations.

-- A Baptist church in Gaujani was taken over in 1984 for use as a nursery school, and the congregation has been unable to find a building to replace the church or to obtain compensation from the government.

III. Political Prisoners

The number of political prisoners in Romania is not known. Many are incarcerated for seeking to leave Romania illegally or for protesting the denial of exit permission; others are imprisoned because of their religious or human rights activities. While information is scarce, there is reason to believe that forcible confinement in psychiatric hospitals is frequently used to punish people for the legitimate exercise of their rights.

Religious and political activists are frequently detained and interrogated in Romania, although detention does not always result in arrest. When people are summoned or taken to the local security offices, they are often subjected to long periods of interrogation under rigorous conditions, threatened with a variety of penalties, and sometimes physically abused. In addition, there are reports of extremely harsh prison conditions. Romanian law does not provide for habeas corpus or the right to counsel, and the concept of due process does not exist. Persons detained for political offenses usually disappear suddenly, and their families and friends have no means of discovering their whereabouts. In this way, prisoners can be held in incommunicado detention for long periods during investigation.

-- Gheorghe Emil Ursu, a 59-year-old engineer and poet, died in detention in November 1985. Ursu had disappeared from his place of work on September 21, and his family never learned where he was being held.

Ursu had previously been subjected to a seven-month investigation -- from January 1985 until August 1985 -- on the basis on personal diaries that he had been keeping for the last 40 years. The diaries were confiscated by the Security Police and his home was searched in order to find any concealed materials. Starting on January 3, he was summoned to the security headquarters every night after work and interrogated about people mentioned and remarks made in his diaries. He was accused of conspiracy because his diaries included the names of people who had emigrated and who were mentioned in his notes as friends, acquaintances or simply interesting people.

At the beginning of August, he attended what was described as the final session. He was asked for a written declaration expressing his apologies for the offenses he had committed and expressing his gratitude to the people who had investigated him. Nothing further happened until his disappearance on September 21.

No specific charges were ever brought against Ursu. His family was prevented from seeing him and from getting any information from the authorities on his case, until they received a call explaining that he was very sick. Later that day, the family was informed that he had died.

The official explanation is that Ursu died after complications due to surgery. However, reports indicate that his body showed signs of having been badly beaten. It seems likely that he died due to the beatings he received at the hands of the Secret Police.

-- Radu Filipescu, a 29-year-old electronics engineer, was arrested in May 1983 for distributing leaflets that called for peaceful demonstrations against the Ceausescu regime. In September 1983, he was sentenced to 10 years imprisonment for "anti-state propaganda." Filipescu is being held in Aiud prison and has reportedly received particularly harsh treatment.*

The judiciary is subordinate to the Party and the government. Trials may be legally held behind closed doors -- a practice used most often when a trial is likely to attract undue attention and the Ceausescu regime wishes to prevent foreign observers and diplomats from attending.

IV. Workers Rights

The Ceausescu regime boasts of full employment, full housing and contented workers. In reality, however, working conditions are quite pitiable in Romania and, without free trade unions, workers cannot press their demands.

The only independent trade union in Romania was SLOMR, the Free Trade Union of Workers in Romania, formed in 1979 by a group of intellectuals and workers. SLOMR eventually attracted some 2,000 supporters. The Romanian authorities rapidly suppressed the fledgling labor movement.

The plight of Romanian workers is illustrated by a labor law, known as the "Global Agreement," that was enacted in September 1983. This law has effectively eliminated fixed and guaranteed wages. Workers must now sign a contract which amounts to a pledge of productivity. If a worker is deemed to have reneged on his or her contract, the pledge itself is used as the legal grounds for punishment. Workers' salaries are tied to the enterprise's production, and salaries are decreased if the production figures are not met. There were many reports in 1985 of workers receiving greatly reduced wages as a result of this system, and of an increase in "moonlighting" in order to attain minimum income levels.

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*The State Department reported that on June 5, 1986, Radu Filipescu had been released from prison on April 15, 1986.

Another government plan introduced in 1985 provided for 50 per cent salary cuts if production quotas are not met in export-related industries.

In addition, a five-year training period has been instituted. During this time, a worker is considered an "associate" (or "second-class") employee with only limited rights. Among other things, an associate worker receives only half of his or her salary, while the other half is deposited in a state savings bank -- without interest. If the worker leaves the enterprise before the end of the five-year period, he or she loses the withheld money.

Agricultural workers rights are affected by a program announced in January 1984, which is designed to offset the inefficiency of the socialized agricultural sector by squeezing private agriculture. Private agriculture, consisting of private plots of land that belong to members of agricultural cooperatives and to private farmers, has long supplied the country with significant quantities of food, accounting for a large proportion of Romania's total national production. The new program requires every private plot to produce strictly specified minimum quotas of agricultural products. These quotas are replacing the previous system of compulsory delivery to the state. Failure to comply with them will result either in the loss of ownership of the land, or in its transfer to the socialized sector. In all likelihood, this program will cause a drop in private production, which, in turn, will increase the already serious food shortage that has existed in Romania for the last several years.

V. Minority Rights

Ethnic minorities constitute 12 percent of Romania's 21 million people. The largest minority is Hungarian, officially tabulated at 1.7 million people, but closer to 2.5 million, according to emigre sources. In addition to Hungarians, Romania has a large number of ethnic Germans, Bohemians, Gypsies and numerous smaller groups.

The minority groups in Romania often say that they live under a double burden: the burden of repression in a totalitarian state, and the burden of discrimination stemming from Romanian chauvinism and an official policy of "Romanianization."

The Hungarian minority, centered mainly in Transylvania, claims that the Ceausescu regime is engaged in a deliberate policy of "cultural genocide." Hungarian schools, churches, traditions and even the Hungarian language are being systematically eliminated from Romanian society. The forced assimilation to which ethnic Hungarians are being subjected increasingly takes the form of discriminatory and sometimes brutal practices.

The London Times of June 6, 1985, reported that a new, discriminatory decree has been passed limiting the number of Hungarian-speaking students at the University of Cluj to 5 per cent. Prior to this decree, Hungarian students made up 65 per cent of the student body. The government also decreed that all geography and history teachers in all schools in Transylvania must be Romanian -- a provocative move given the conflicting Romanian and Hungarian interpretations of the area's history.

-- Arpad Visky, an actor with the Hungarian Theaters of Marosvasarhely (Tigru Mures) and of Sepsiszentgyorgy (Sfintul Gheorghe), was sentenced on August 7, 1983, to five years imprisonment for "slandering Romania, the Romanian people and the socialist system" and "disseminating hostile propaganda." He was released in September 1984.

On January 5, 1986, Visky was found dead by a police officer, hanged in a forest outside Sfintul Gheorghe. Though the offical report claimed that he had committed suicide, the circumstances are extremely unclear. Visky had applied to emigrate to Hungary in the fall of 1985 and, according to sources close to him, he was not suicidal.

Publications sent from Hungary are often confiscated by the Romanian authorities. It is virtually impossible to subscribe to newspapers or periodicals from Hungary which are not on sale in Romania. The Romanians have also placed restrictions on sending some Hungarian-language publications printed in Romania to Hungary. This makes it difficult for people in Hungary to get reliable information about the Hungarian minority in Romania.

There have also been reports of harassment of foreigners who visit Transylvania and meet with Hungarian intellectuals.

-- In October 1984, Zsolt Szekeres, a United Nations employee, visited Transylvania and met with several well-known Hungarian intellectuals. After his visit, the Romanian secret police interrogated all the people with whom he had met. It is alleged that threats and violence were employed during some of these interrogations.

Szekeres himself was detained in Tigru Mures by the Romanian traffic police when he was en route to Cluj to meet with Geza Szocs. It is reported that he was falsely accused of having been involved in a traffic accident, and was forced to spend the night in the city. The next day he was interrogated for seven hours concerning his contacts in Transylvania and in Washington D.C. Szekeres claims that the police threatened him during interrogation.

VI. New Categories of Repression

Several recent governmental campaigns in Romania entail new and even deeper infringements of citizens' rights to privacy by the Securitate which arbitrarily violate the privacy of the family, home and correspondance.

One such invasion of privacy relates to the severe restrictions on private electrical consumption that have been in force in Romania for several years and became even more extreme during the winter of 1984-85. The authorities arbitrarily enter homes on the pretext of checking for excessive or illegal use of electricity, also taking the opportunity to look for illegal items, such as religious literature. Thus economic restrictions have been used to facilitate invasions of privacy.

Another new campaign is aimed at eliminating abortions. On February 15, 1985, the Party declared the necessity of taking "firm measures...to achieve a doubling of the natural increase in the population in the shortest possible time...mainly by raising the birth rate." One of the measures implemented to this end was the establishment of a new governmental agency, the County Demographic Command, to monitor the female population of child-bearing age to ensure that they are having children. Under this program monthly gynecological examinations are required to prevent unauthorized abortions. Without certificates verifying that these examinations have taken place, Romanian women can be denied social and medical services. Moreover, couples without children are taxed an addition 300 lei per month.

The urban renewal program being waged with such furor by the regime has produced a new category of victims -- elderly people. A new program was announced by Ceausescu in 1985 which empowers the government to relocate elderly people out of the cities into rural, industrial complexes. There have also been many reports of older people being victimized in other ways, such as denial of medical attention and social benefits. Opponents of the regime claim that this persecution of the elderly proves that the regime is engaged in a campaign to wipe out its older, less productive population.

STATEMENT OF FRANK KOSZORUS, JR., ESQ, FOR THE INTERNATIONAL HUMAN RIGHTS LAW GROUP, WASHINGTON, DC

Mr. KOSZORUS. Thank you, Mr. Chairman. My name is Frank Koszorus, and I am a pro bono attorney with the International Human Rights Law Group. The law group is a nonprofit public interest law center concerned with the promotion and protection of international human rights.

Since 1979, the law group has monitored the abysmal human rights situation in Romania, with particular concern for the intensified efforts aimed at extinguishing the cultural life of Romania's large Hungarian minority. This year, the law group calls for the suspension of MFN until Romania actually implements measures to improve its human rights record. Although the law group affirms its past and present assessment of Romania's human rights record, as set forth in our prepared statement, which I would appreciate having included in the record, we are willing to consider additional evidence and facts relating to our foregoing concerns.

In fact, to assess the human rights situation in Romania, and to determine what effect that government's stated commitment to international agreements has had on state law and policy, the law group has requested permission to visit Romania several times over the past 7 years. Despite an invitation—an informal invitation—by members of the Romanian Embassy, the Romanian Government has consistently denied us visas to travel to Romania on a fact-finding mission. The Romanian officials have stated implicitly and explicitly that a human rights fact-finding mission amounts to interference in Romania's internal affairs.

Given developments in international law over the last 40 years, the argument that human rights conditions in one country are not the concern of the international community has no validity whatsoever.

In conclusion, in view of Romania's dismal human rights record and complete intransigence in permitting American professionals and nongovernmental human rights organizations to visit Romania, the law group urges that the Congress suspend MFN this year. Moreover, the law group calls upon the Congress to pass a resolution requiring that before MFN is restored or continued, Romania permit independent human rights organizations to travel to that country to meet with government officials and private individuals of their choosing to better understand Romania's commitment to fundamental human rights.

Thank you, Mr. Chairman.

Senator DANFORTH. I want to thank everyone on this panel for sticking to your allotted time and for your very helpful testimony.

[The prepared written statement of Mr. Koszorus follows:]

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BEFORE THE

UNITED STATES SENATE

COMMITTEE ON FINANCE

INTERNATIONAL TRADE SUBCOMMITTEE

STATEMENT OF

FRANK KOSZORUS, JR.

PRO BONO ATTORNEY

INTERNATIONAL HUMAN RIGHTS LAW GROUP

August 1, 1986

SUMMARY OF THE STATEMENT OF FRANK KOSZORUS, JR. OF THE INTERNATIONAL HUMAN RIGHTS LAW GROUP REGARDING MOST FAVORED NATION STATUS AND ROMANIA

The International Human Rights Law Group is a nonprofit, public interest law center concerned with the promotion and protection of international human rights. The Law Group calls for the suspension of MFW status for Romania because of that government's gross and persistent human rights violations, including its intensified policy of forcibly assimilating and extinguishing the cultural life of Romania's approximately 2.5 million Hungarian minority.

In addition, despite the invitation to the Law Group in 1979, the Romanian government has consistently refused to extend visas to members of a fact finding team on the grounds that such missions amount to interference in Romania's internal affairs. That position is indefensible under current principles of international law and the Helsinki Final Act. Legislation also conditions United States trade benefits on a recipient's human rights record. Thus, until Romania permits independent human rights organizations to travel to that country to assess its human rights record, MFN should be suspended.

0075w

STATEMENT OF FRANK KOSZORUS, JR., OF THE INTERNATIONAL HUMAN RIGHTS LAW GROUP REGARDING MOST FAVORED NATION STATUS AND ROMANIA

Mr. Chairman, my name is Frank Koszorus, Jr. I am a pro bono attorney with the International Human Rights Law Group ("Law Group"). The Law Group is a nonprofit, public interest law center concerned with the promotion and protection of international human rights. Since 1979, it has monitored the dismal human rights situation in Romania, with particular regard to the rights of the Hungarian minority. Referring to obligations under the Helsinki Accords and the two International Convenants on Civil and Political Rights and Economic, Social and Cultural Rights, the Law Group has raised instances of gross and persistent human rights violations by Romania before various fora. The Law Group also has testified at Congressional hearings on the inadvisability of blanket extensions of Most Favored Nations ("MFN") status to Romania in view of that government's increasingly callous disregard for even the most minimum standards of fundamental human rights and because of that country's manipulation of the MFN process.

This year the Law Group calls for the suspension of MFN until Romania actually implements measures to improve its human rights record. Today, Romania's citizens are deprived of the most fundamental freedoms guaranteed by the Covenants and the Helsinki Final Act. For instance, freedom of expression is non-existent in Romania. Freedom of movement is not recognized by the government and many obstacles face would-be emigrants who seek to be reunified with members of their family. The assault on religious life continues as exemplified by the recycling into toilet paper of approximately 20,000 Bibles donated by the World Reformed Alliance to the Transylvanian Magyar Reformed Church. Political killings continue unabated as in the tragic cases of the Hungarian Catholic Priest Father Geza Palfi, the prominent Transylvanian-Hungarian actor Arpad Visky and the Romanian engineer and poet Gheorghe Ursu.

In addition to the repression faced by the population at large, Romania has intensified its policy aimed at forcibly assimilating and extinguishing the cultural life of that country's approximately 2.5 million Hungarian minority -- one of the largest minorities in Europe. Opponents of forced Romanianization often are harassed, intimidated, arrested, savagely beaten and imprisoned. Individuals travelling from the United States who meet with Romanian citizens of Hungarian nationality have been detained and interrogated by Romanian authorities. The Law Group, along with other organizations, such as Amnesty International, is particularly concerned about the continued imprisonment of Bela Pall, Erno Borbely and Laszlo Buzas. We urge the Congress to raise their cases and seek their immediate release.

Although the Law Group affirms its past and present assessment of Romania's human rights record, it has been and is willing to consider additional evidence and facts relating to the foregoing concerns. In fact, to assess the human rights situation in Romania and to determine what effect that government's stated commitment to international agreements has had on State law and policy, the Law Group has requested permission to visit Romania several times over the past seven years. Despite an invitation by Romanian officials to the Law Group in 1979, and despite the Romanian government's representations that it is an open country, it has consistently refused to issue visas to proposed members of a fact-finding team. A detailed history of the Law Group's efforts in this regard is contained below. In denying the visas, Romanian officials have stated that a human rights fact-finding mission amounts to interference in Romania's internal affairs. Given developments in international law during the past 40 years, the argument that human rights conditions in one country are not the concern of the international community has no validity.

In fact, by signing the Helsinki Accords in 1975, Romania undertook to "act in conformity with the purposes and principles of the United Nations Charter and Universal Declaration for Human Rights." As part of this undertaking, Romania should be expected to permit independent human rights monitoring groups to visit the country to assess the situation. Finally, the Congress, by enacting general legislation which conditions trade benefits on a country's human rights record, should consider whether a foreign country is willing to permit visits by independent human rights groups before extending such benefits.

In July 1979, the Law Group testified before the House Subcommittee on Trade of the Committee on Ways and Means and the Subcommittee on International Trade of the Committee on Finance regarding MFN and Romania. The Law Group expressed concern for the protection of human rights in Romania, particularly with regard to the social, political and cultural rights of the Hungarian minority and the individual human rights of outspoken members of that minority.

On September 28, 1979, Mr. Nicolae Iordan, Cultural Attache of the Romanian Embassy in Washington, D.C., visited the Law Group. The purpose of this visit, Mr. Iordan explained, was to establish a dialogue and to provide the Law Group with "accurate" information on Romania.

On November 1, 1979, the Law Group's Executive Director, Amy Young, and I met at our offices with Mr. Iordan and Mr. Alexander Tanasescu, the Second Secretary of the Romanian Embassy. During this second meeting, Mr. Iordan stated that the Law Group's information concerning Romania was, in his words "stale." He then unequivocally invited the Law Group to visit Romania in order to observe first-hand Romania's compliance with human rights standards.

In the summer of 1980, the Law Group planned a visit to Yugoslavia, among other things, to attend the meeting of the International Law Association in Belgrade. This trip to Yugoslavia provided an excellent opportunity to visit Romania as well, and at the time the Law Group's plans for Yugoslavia were settled, Ms. Young contacted the Romanian Embassy to discuss a trip to Romania in response to the earlier invitation by Mr. Iordan.

As a result, Ms. Young and I met with Mr. Boris Ranghet, Counselor of the Romanian Embassy, on August 6, to discuss the Law Group's receiving an invitation from the Government of Romania to visit. We proposed to hold meetings with various legal, professional and other organizations and individuals in Romania in order to learn first-hand the current human rights situation in that country.

Mr. Ranghet, noting that Mr. Iordan had already extended to us an informal invitation, was most responsive and expressed his belief that the Romanian government would be open to such an invitation. Although time was short, Mr. Ranghet assured us that an answer from Bucharest would be forthcoming. He further assured us that if no answer was received before Ms. Young's date of departure for Yugoslavia (August 17), a message would be transmitted to her through the Romanian Embassy in Belgrade.

The Romanian government did not respond before Ms. Young left Washington or during the week she stayed in Belgrade. From Yugoslavia, Ms. Young travelled to Geneva, Switzerland for a ten day stay. On the last day of her stay in Geneva, she was told by Mr. Ionescu, who was at the time an attache to the Romanian Mission of the United Nations, that it was not possible for the Law Group to receive an invitation to visit Romania at that time.

Upon Ms. Young's return to Washington in September, she spoke with Mr. Ranghet on the phone. During that conversation

Mr. Ranghet suggested that it would be best to schedule a visit for the spring of 1981. Mr. Ranghet also agreed that it would be possible for representatives of the Law Group to meet with various groups and individuals and to schedule a mutually acceptable itinerary (see Appendix A).

On March 6, 1981, Ms. Young met with the new Counselor at the Embassy, Mr. Eugen Popa, and Mr. Neagu, the Third Secretary, to discuss once again a visit to Romania in the spring (see Appendix B). Again, the Law Group's efforts were futile and the visas were denied.

The Law Group's most recent attempt to gain entry into Romania was last fall, when the Law Group was invited to address the UNESCO General Conference in Bulgaria. In October, Ms. Young had several discussions with Mr. Mircea Raceanu, a Counselor of the Romania Foreign Ministry who was visiting Washington, D.C. Mr. Raceanu advised the Law Group not to come at such a "difficult time" but to come in the spring instead. At the Law Group's request, he put this suggestion in writing (see Appendix C).

In April, with the assistance of the State Department, the Law Group submitted a detailed itinerary and a request for permission to visit Romania before MFN hearings in June - August of this year (see Appendix D). Not having received any response, on June 6, three representatives from the Law Group (Ms. Young, Nancy Rubin and I) submitted visa applications. Since the Romanian Embassy was unable to advise the Law Group about the pending visa applications, on June 13, Ms. Young spoke to Mr. Newell Pazdral of our embassy in Bucharest who told her that the visas had been denied once again. The official reason for the denial was that the Law Group intended to conduct a human rights investigation which Bucharest considers to be an interference in Romania's internal affairs. Apparently, the Romanian Foreign Ministry objected to a phrase Ms. Young had used in a hastily, hand-written cover note submitted with the visa applications. The offensive phrase stated that our purpose in visiting Romania was "to determine improvements in the human rights situation." The translation of this phrase somehow was taken to mean "to control" or "prejudice" the situation.

On June 23, Mr. Thomas Lynch, the Country Officer for Romania at the Department of State, arranged a meeting between Mr. Ion Goritza, Counselor of the Romanian Embassy, and representatives of the Law Group. The purpose of the meeting was to clarify the purported misunderstandings of the Foreign Ministry and to finalize the scheduling of the trip for this summer, originally proposed by Romanian officials seven years ago.

Mr. Goritza inquired about the purposes of the trip and expressed his concern over parts of the itinerary. The Law Group, in turn, insisted that it be allowed to pursue areas of interest common to all our fact-finding missions and that our trip have a balanced agenda. The attached letter of June 24, 1986, to Mr. Goritza reflects our understanding (see Appendix E).

Nevertheless, in July the Law Group once again was told that the Romanian Foreign Ministry was unable to facilitate the Law Group's visit to Romania this summer (see Appendix H). In order to give the Foreign Ministry ample time to process the Law Group's request, we remain willing to send a mission to Romania in mid-September or October.

In the meantime, several Members of Congress have called and corresponded with the Romanian Ambassador to the United States to seek his assistance in expediting the Law Group's visit (see Appendix F and G). Not surprisingly given the past seven years, the Law Group still is not permitted to travel to Romania.

In view of Romania's dismal human rights record and complete intransigence in permitting American professionals and non-governmental human rights organizations to visit Romania, the Law Group urges that the Congress suspend MFN this year. Moreover, the Law Group calls upon the Congress to pass a resolution requiring that before MFN is restored or continued, Romania permit independent human rights organizations to travel to that country to meet with government officials and private individuals of their choosing to better understand Romania's commitment to fundamental human rights.

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Appendix A

INTERNATIONAL HUMAN RIGHTS LAW GROUP
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ADMINISTRATIVE ASSISTANT
Amy R. Novick

September 17, 1980

Mr. Boris Ranghet
Counselor
Rumanian Embassy
1607 23rd Street, N.W.
Washington, D.C. 20037

Dear Mr. Ranghet,

Pursuant to our conversation yesterday, I would like to reiterate my disappointment and dismay at the government of Rumania's refusal to extend an invitation to the International Human Rights Law Group for a visit at this time. Although you personally, as well as Mr. Zaru in Belgrade and Mr. Ionescu in Geneva, were very courteous and helpful, understandably, it was quite inconvenient to wait for a response over a period of four weeks.

As you will recall, the origin of this trip traces back to an invitation extended to us by Mr. Iordan, the first secretary of your embassy, on several occasions in late 1979. Considering that the government of Rumania in principle has no objection to visits by human rights organizations - indeed Rumania is to be complimented for its progressive policy of establishing dialogues with those expressing concern for human rights conditions in Rumania - I am hopeful that the International Human Rights Law Group will have another opportunity to visit your country in the near future.

As we discussed yesterday, the Law Group would consider a trip to Rumania late next spring, perhaps in April, although I am sure a mutually convenient time could be arranged. With sufficient lead time for both the Law Group and your government I am sure we will be able to prepare for a useful exchange between members of the Law Group, representatives of the government of Rumania and citizens of Rumania, including our colleagues in the legal profession.

I look forward to cooperating with you on planning such a visit and thank you again for the assistance you rendered on our behalf.

Sincerely,

Amy Young-Anawaty

Amy Young-Anawaty

Appendix B

INTERNATIONAL HUMAN RIGHTS LAW GROUP
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Amy R. Novick

March 23, 1981

Eugen Popa
Counselor
Embassy of the Socialist Republic
of Romania
1607 23rd Street, N.W.
Washington, D.C. 20008

Dear Mr. Popa,

I very much appreciated meeting with you and Mr. Neagu on March 6, 1981 at the Romanian Embassy to pursue the possibility of the International Human Rights Law Group visiting Romania this spring. As the enclosed letter indicates, this proposed visit of the International Human Rights Law Group to Romania has a rather long history which bears repeating here.

In July, 1979 the Law Group testified before the House Subcommittee on Trade and the Senate Subcommittee on International Trade on the issue of Romania receiving most-favored-nation trade status. The Law Group expressed concern for the protection of human rights in Romania, particularly with regard to the social and cultural rights of the Hungarian minority.

On September 28, 1979, Mr. Nicolae Iordan, Cultural Attaché of the Romanian Embassy, paid a visit to the Law Group. The purpose of this visit Mr. Iordan explained was to establish a dialogue and to provide the Law Group with further information on Romania.

Again on November 1, 1979, Mr. Iordan and Mr. Alexandru Tánásescu, the Second Secretary, had a meeting at the Law Group with myself and my colleague, Mr. Frank Koszorus. Mr. Koszorus is an attorney who works with the Law Group. During this second meeting Mr. Iordan stated that information the Law Group had researched on Romania was, in his words "stale." He then invited us to visit Romania in order to see first hand how human rights were being observed.

The International Human Rights Law Group is Sponsored by The Procedural Aspects of International Law Institute.

Page Two
March 23, 1981
E. Popa

In the summer of 1980, the Law Group planned a visit to Yugoslavia in order to meet with Milovan Djilas and to attend the meeting of the International Law Association in Belgrade. This trip to Yugoslavia provided an opportunity to visit Romania as well and at the time our plans for Yugoslavia were settled, I contacted the Romanian Embassy to discuss the possibility of visiting Romania in response to the earlier invitation by Mr. Iordan. In a meeting with Mr. Ranghet on August 6 Mr. Koszorus and I discussed the possibility of the International Human Rights Law Group receiving an invitation from the Government of Romania to visit Romania. We hoped to hold discussions with various legal, professional and other organizations and individuals in order to learn first hand what is the current human rights situation in Romania.

Mr. Ranghet, noting that Mr. Iordan had already extended to us an informal invitation, was very responsive and expressed his belief that the Romanian government would be open to such a meeting. Although the time was short, Mr. Ranghet assured me that an answer from Romania would be forthcomihg. At any event, he assured me if no answer was received before my date of departure for Yugoslavia, August 17, a message could be transmitted to me through the Romanian Embassy in Belgrade.

As the enclosed correspondence indicates, the Romanian government did not respond before I left Washington, while I was in Belgrade for a week or while I was in Geneva for 10 days. On the last day of my stay in Geneva, I was told by Mr. Ionescu, who was attached at that time to your mission, that it was not possible for me to receive an invitation to visit Romania at that time.

Upon my return, I spoke with Mr. Ranghet on the phone and we agreed that it would be best to schedule a visit for spring of 1981. We also agreed that with some advanced planning, it would be possible for representatives of the Law Group to meet with various groups and individuals and to schedule a mutually acceptable itinerary. Thus this narrative brings us to our recent discussion of March 6, 1981.

I appreciate your forwarding this information, together with information on the Law Group, to the appropriate authorities. I look forward to hearing from you concerning the possibility of a Law Group visit to Romania to be arranged for sometime this spring.

Sincerely yours,

Amy Young-Anawaty

Amy Young-Anawaty
Executive Director

Appendix C

EMBASSY OF THE SOCIALIST REPUBLIC OF ROMANIA
WASHINGTON, D. C. 20008

October 30, 1985

RECEIVED NOV 13 1985

Mrs. Amy Young
Executive Director
International Human
Rights Law Group

Dear Mrs. Young,

As I told you during our phone conversation due to the fact that at present time people involved in organizing your meetings in Bucharest are very busy, we suggest that you should consider paying your visit to Romania in 1986.

Sincerely yours,

Mircea Răceanu
Counsellor

Appendix D

INTERNATIONAL HUMAN RIGHTS LAW GROUP
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April 16, 1986

Mr. Thomas Lynch
Country Officer
EUR/EET
Room 5219
Department of State
Washington, DC 20520

Dear ~~Mr. Lynch~~ Tom:

Attached you will find a copy of the Law Group's proposed itinerary for the Rumania mission as we discussed. The purpose of our trip, as I mentioned, is to assess the effect of Rumania's ratification of the two International Covenants and to evaluate any changes in the human rights situation over the past few years.

In particular, the Law Group is interested in the following areas:

due process
independence of the judiciary
the role of the bar association
freedom of expression
freedom of religion
labor rights
the rights of minorities
treatment of prisoners

The attached itinerary lists those people, places and institutions we feel it necessary to visit to gain a full understanding of the human rights situation in Rumania. Of course, we are sure the Government of Rumania will respect our freedom of movement and will allow us not only to visit these places but to travel freely while in Rumania.

The Law Group plans to send a small delegation to Rumania several weeks prior to hearings on Capitol Hill concerning Most-Favored-Nation trading status for Rumania. Traditionally, these hearings occur in July. Joining me will be the Law Group's Vice Chairman, Robert H. Kapp, Board member Nancy Folger and Advisory Council member Hurst Hannum, and Frank Koszorus, an attorney associated with the Law Group. Short resumes of the members of the delegation are attached.

Last fall I provided Mr. Raceanu with information about the Law Group. Should it be useful to have additional information, we would be pleased to furnish you or the Government of Rumania with more reports or descriptions of the organization. Enclosed please find the latest copy of our newsletter, The Docket.

I am very grateful to you for your kind assistance and cooperation in helping us secure the necessary travel documents. Please contact me if you have any questions.

Sincerely,

Amy Young
Executive Director

Encl.

Robert Kapp, Chair of the International Human Rights Law Group
Partner, Hogan & Hartson;
Former trial attorney with the Justice Department Tax Division;
Co-chair of the National Lawyers Committee for Civil Rights Under Law; spent one year sabbatical with the International Commission of Jurists in Geneva.

Nancy Folger, Board Member of the International Human Rights Law Group
Chairman of Special Projects, Children's Defense Fund;
Chairman of the Board, Black Students Fund;
Board member, Folger Theater, National Symphony, National Center for Therapeutic Riding.

Hurst Hannum, Advisory Council Member of the International Human Rights Law Group
Executive Director, Procedural Aspects of International Law Institute; Former Staff Attorney, Institute of International Law and Economic Development - legal adviser to the Constitutional Conventions of Guam and the U.S. Virgin Islands;Board Member, Amnesty International-U.S.A..

Frank Koszorus, Pro Bono Attorney with the International Human Rights Law Group
Member, District of Columbia Bar Association;
Formerly Law Clerk to James B. Parsons, Chief Judge, District Court, Northern District, Illinois; Member: A.B.A. - Antitrade and International Law Sections, American Society of International Law, Washington International Trade Association.

PROPOSED ITINERARY

I. U.S. Government

Roger Kirk, Ambassador, U.S. Embassy, Bucharest
Frank Corry, Dep. Chief, U.S. Embassy, Bucharest

II. Rumanian Government

- Ilie Vaduva, Foreign Minister
- Deputy Ministers of:
  - Labor
  - Education
  - Health
  - Interior
  - Justice
  - Foreign Affairs
- Council for Culture and Education
- Department of Religious Affairs/Cults
- Procurator General or Deputy Procurator General/ Procurator's Office
- One County Tourist Office (such as in Cluj, Brashov, Arges, Constanza or Iasi)
- County Demographic Command
- People's Council
- Paul Focsa, official architect of Bucharest or a deputy mayor of Bucharest or an official from the Project Bucharest
- Judges at the local, county, Supreme and military court levels

III. Locations to Visit

- Jilava Prison
- Dr. Petru Groza Hospital in Bihor
- Dr. Marinescu No. 9 Hospital in Bucharest
- Calea Rahovei in Bucharest
- Mihai Voda Monastery Chapel
- N.E. District of Giulesti in Bucharest
- Tiganesti Monastery near Bucharest
- St. Ilie Rahova and Olari, Schitul Maicilor
- Cotroceni Cloister
- Baptist Theological Seminary
- University of Cluj/Babes-Bolyai University
- Kriterion Publishing House
- Home of an American Student
- Courthouse in Bucharest - conduct of a trial
- Area inhabited by Csangos (Moldavia)

IV. Peligious Figures

Chief Rabbi Moses Rosen
Father Ferenc Lestyan, Chief Catholic pastor in Tirgu Mures
Rev. Istvan Tokes, Sr. official of Hungarian Reformed Church
Rev. Laszlo Tokes
Rev. Mihae Husanu, President, Baptist Church in Cluj
Dr. Vasile Talpos, General Secretary, Baptist Church in Bucharest
Rev. Buni Cocar, Holy Trinity Church (Baptist), Bucharest
Bishop Laslo Papp
Bishop Gyula Nagy
Dmitri Ianculovic of Timisoara
Ludovic Osvath of Zalau

members of Rumanian Christian Committee for the Defense of Freedom & Conscience (ALRC)

V. Labor

Dr. Iona Cana, founder of Free Trade Union of Workers in Rumania (SLOMR)
Titus Costache, director of Lupeni mine
Aurel Anghelus, Pres. of Union at Lupeni mine
Calin Spiride, as of 5/81 General Manager of RomControl Data
Janos Torok, Hungarian technician in Cluj factory

VI. Law

National Association of Lawyers (Association Juristila):

Ilie A. Ilie, President
Francisc Deac, Vice President
Negrescu, Vice President
Romuel, Vice President
Vlasceanu, Vice President
Rosca, Secretary

VII. Dissidents/Art/Culture

Karoly Kiraly in Tirgu Mures
Ana Blondiana, poet
Augustin Buzura, novelist
Geza Szocs, poet and philosopher
Toth Karoly, organized Endre Ady Literary Circle
Mrs. Arpad Visky
Mircea Sandulescu, writer of *Placebo*
Writers Union, editor of *Vatra* literary magazine
Hungarian Press of Transylvania
Amfiteatru
Tribuna

Appendix E

INTERNATIONAL HUMAN RIGHTS LAW GROUP
733 Fifteenth St., N.W.
Suite 1000
Washington, D.C. 20005

(202) 639-8016
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June 24, 1986

Mr. Ion Goritza
Counselor
Embassy of Socialist Republic of Romania
1607 23rd Street, NW
Washington, DC 20008

Dear Mr. Goritza:

We very much appreciated meeting with you yesterday and having the opportunity to clarify the objectives and plans of the Law Group with respect to a trip to Romania.

As I had stated in the past and to Mr. Raceanu last October, we would like to undertake a documentation visit to Romania. The purpose of our trip is to discuss the following areas of interest to our organization with the competent Romanian authorities and with people who have information about these subjects, referred to us by the authorities.

due process
independence of the judiciary
the role of the bar association
freedom of expression
freedom of religion
labor rights
the rights of minorities
treatment of prisoners

We are sure that the Romanian authorities understand our concern that any visit made to Romania must have a balanced itinerary. This is an underlying premise for all such documentation visits which the Law Group has undertaken to many different countries. By a "balanced itinerary" we mean an itinerary which includes meetings with Romanian authorities and also with individuals as facilitated by the United States Embassy in Bucharest.

Again we are very appreciative of your efforts on our behalf. We are hoping to travel to Romania during the last part of July or early part of August. We look forward to hearing from you and to working with you on this trip.

Sincerely yours,

Amy Young
Executive Director

cc: Thomas Lynch

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ED JENKINS, GEORGIA
THOMAS J. DOWNEY, NEW YORK
DON J. PEASE, OHIO
CECIL (CEC) HEFTEL, HAWAII
MARTY RUSSO, ILLINOIS
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EX OFFICIO:
JOHN J. DUNCAN, TENNESSEE

COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515

SUBCOMMITTEE ON TRADE

COMMITTEE ON WAYS AND MEANS

JOSEPH K. DOWLEY, CHIEF COUNSEL
A.L. SINGLETON, MINORITY CHIEF OF STAFF

RUFUS YERXA, SUBCOMMITTEE STAFF DIRECTOR

Appendix F

June 16, 1986

The Honorable Nicolae Gavrilescu
Ambassador
Embassy of the Socialist Republic of Romania
1607 23rd Street, N.W.
Washington, D.C. 20008

Dear Ambassador Gavrilescu:

I am writing to follow up on our meeting of last week and on issues raised during the Subcommittee's June 10 hearings on MFN for Romania.

As I indicated to you during our meeting, Congressional concern over Romania's treatment of certain religious and minority groups remains high. That concern is widely felt among American groups and organizations with an interest or involvement in Romanian affairs, including those who on balance support continued MFN for Romania. While the Jackson-Vanik amendment deals specifically with freedom of emigration, that provision also has as its purpose: "to assure the continued dedication of the United States to fundamental human rights." Inevitably, Romania's practices relating to human rights and religious freedom affect the climate in the United States in which a decision is made on extension of MFN treatment to Romania. As a result, it is my hope that you will convey these concerns to President Ceaucescu and other Romanian Government officials.

Enclosed with this letter is a list of individuals seeking to emigrate from Romania to join family members in the United States. Also included are names of two persons awaiting permission to marry so that they then may emigrate to join their spouses in the United States. I ask that your government give these cases high priority.

One more matter has come to my attention which I request your assistance in resolving. Representatives of the International Human Rights Law Group have informed me of your embassy's suggestion to them several years ago that they visit Romania to improve their understanding of the country. Their attempts to obtain visas for such a trip have been unsuccessful to date, despite assistance by the U.S. Department of State. I hope that you will lend your assistance in expediting a visit to Romania by this group.

Thank you.

Sincerely,

Sam M. Gibbons

Sam M. Gibbons
Chairman

SMG/JRSl

Enclosure

Appendix G

Larry,
As promised
Rick

Richard J. Nelson
Legislative Assistant
1707 Longworth Building
Washington, D.C. 20515
(202) 225-3531
Congressman Tom Lantos
California

RECEIVED JUL 10 1986

Menlo Park, Belmont, Brisbane,
Burlingame, Daly City, East
Palo Alto, Foster City, Half
Moon Bay, Millbrae, Pacifica,
Palo Alto, San Bruno and
South San Francisco

ess of the United States
House of Representatives
Washington, D.C. 20515

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SUBCOMMITTEE ON EUROPE AND THE
MIDDLE EAST
SUBCOMMITTEE ON ASIAN AND
PACIFIC AFFAIRS
SUBCOMMITTEE ON HUMAN RIGHTS AND
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GOVERNMENT OPERATIONS
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SUBCOMMITTEE ON LEGISLATION AND
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AND NATURAL RESOURCES
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AND TRANSPORTATION
SELECT COMMITTEE
ON AGING
SUBCOMMITTEE ON HUMAN SERVICES

July 9, 1986

The Honorable Nicolae Gavrilescu
Ambassador
Embassy of the Socialist Republic of Romania
1607 23rd Street, N.W.
Washington, D.C. 20008

Dear Ambassador Gavrilescu:

As the Co-chairman of the Congressional Human Rights Caucus, with a membership of over 100 Members of Congress, I am writing to urge you to allow representatives of the International Human Rights Law Group to visit your country.

The International Human Rights Law Group is a respected non-governmantal human rights organization with a broad geographic focus of concern. Members of the Law Group testify often before the Foreign Affairs Committee in the House of Representatives and the organization has a reputation for fairness, thoroughness, and impartiality.

I understand that your embassy initially encouraged the Law Group to visit Romania in 1979, but have since then repeatedly turned down their applications for visas. The impression that is given by these refusals is that Romania is closed to visits from American professionals, that there are human rights violations that need to be concealed, and that human rights attorneys are not allowed to meet with government officials or private individuals in order to better understand the commitment of the Romanian government to human rights. These impressions damage the efforts undertaken by your government in these critical months of congressional oversight of Romanian MFN trade status to convince Members of Congress that the persistent reports of human rights abuses should be balanced against our otherwise cordial relations. The strength of friendship between your country and the citizens and congressmen of the United States rests on an open and candid relationship.

I believe that it is important that your country demonstrate a willingness to work with respected organizations such as the International Human Rights Law Group, or at a minimum, not place obstacles in their path. I urge you to see that members of the International Human Rights Law Group be given visas to visit Romania this summer.

Sincerely,

Appendix H

INTERNATIONAL HUMAN RIGHTS LAW GROUP
733 Fifteenth St., N.W.
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UN REPRESENTATIVES
New York
Richard N. Dean
Grant A. Hanessian

July 16, 1986

Mr. Dan Dumitru
Embassy of the Socialist Republic
of Romania
1607 23rd Street, NW
Washington, DC 20008

Dear Mr. Dumitru:

We understand that the Romanian Foreign Ministry is unable to facilitate the International Human Rights Law Group's visit to Romania during late July or early August as we had proposed. We are therefore proposing that the Law Group reschedule its visit between mid-September and late October 1986.

The Law Group is deeply disappointed that the Foreign Ministry has once again delayed our visit to Romania. However, pursuant to the suggestion of your government, we remain willing to send a mission to Romania in mid-September or October. We assume this will give the Foreign Ministry ample time to process our request.

Sincerely yours,

Amy Young (SAR)
Amy Young
Executive Director

AY/sar
cc: Mr. Tom Lynch

Senator **Danforth**. I want to make a couple of comments.

First, I want to assure you and everyone else that this committee's annual MFN review is not pro forma, and it is not something that we take lightly. We spend a lot of time on it; I know I do, and I know that members of my staff and those on the Finance Committee staff spend a lot of time on the MFN question, including reviewing lists of individuals and specific instances of emigration problems and repression.

So, I want to make that clear. It is absolutely not pro forma. As I said in my opening comments, I think that the extension of MFN to Romania is in more doubt this year than it has been in the past. I think that there really is a question as to where the votes would be. It is very hard to make an argument for Romania. Senator Pressler, I think, put it very well. He said that he believes that MFN status should be continued, but he doesn't want to make the argument for Romania.

All of the emotional impact in arguing this matter on the floor of the Senate is going to be in the hands of those who favor termination of MFN. With respect to the idea of a 6-month suspension, it seems to me that that is an attempt to be neither fish nor fowl; and I think that there is something to be said for clarity. And it seems to me that the basic question is: Are we going to extend MFN or not?

I think the history of attempting to interrupt and reestablish trade relations has probably not been very good. It certainly has been so with grain sales. So, my hope would be that we face the issue squarely and make a decision.

I mean, maybe we will decide that, on moral grounds, we don't want to trade with them. There is a growing tendency in the Congress with respect to South Africa, with respect to Romania, to see economic or trade sanctions as the best way to state America's moral position. On the other hand, there are people who think that sometimes you have to make a statement; but as a practical matter, maybe it does more harm than good. I think that is what we are going to have to wrestle with, but it seems to me that the idea of a suspension is an attempt to straddle the fence on the question and that it is probably not a good alternative.

Senator Chafee, do you have any questions?

Senator **Chafee**. Mr. Chairman, I completely agree with what you have said. I think that removing the most-favored-nation status isn't going to sway Romania one iota; and I speak not as an expert on Romania. I have never been there. I haven't spent long hours on it, but it is just that I am familiar with the way independent nations react. And in 6 months, they are not going to change, in my judgment. They will consider this a form of bullying, if you would, and they are not going to change their ways. They are not going to cave in, from their point of view. And so, at the end of 6 months, nothing different will have happened there, except for the United States proving to be a reliable trading partner, that will have disappeared and we will have lost our markets there, if that is a factor. So, I see this removal of the most-favored-nation status solely on the basis of stating the ideals of America, not as achieving our goals to help those who are there.

I don't think it is going to help them. In my judgment, by removing the most-favored-nation status or having a 6-month suspension, I tend to agree with Ambassador Ridgway that there is some leverage there under the present system. Ms. Burkhalter and Mr. Crossley also agreed with that. But by removing it, we will have made a statement that these are the ideals of America. We don't want to do business with you folks. We just won't want to deal with you.

We don't like the way you treat your people and we would prefer to do our trading and have our relationships with others. So, I would be curious as to what you think of that, Reverend Collins?

Reverend **Collins**. There has been some indication, even here this morning, that during MFN hearings annually, people prior to MFN hearings are——

Senator **Chafee**. I can't quite understand you.

Reverend **Collins**. There has been some indication already here this morning that just before MFN hearings in the House and the Senate each summer, a number of Christian prisoners are released. There has been some indication also from our travel inside Romania that Romania is arresting Christians during the year just so they can release them before MFN hearings during the summer, to make a case for themselves that they are getting to be more human.

Now, if that is the case, and I think an argument can be made for that, then we are economically assisting a nation and encouraging them economically to make these arrests so that they can release these people and look real good to the American media and the American public during MFN time.

Senator **Chafee**. All right. Now, suppose we say we are going to suspend MFN for 6 months. What do you think would happen?

Reverend **Collins**. I think it is going to give them 6 months of very serious contemplation about their trade relationship and how much it means to them. At present, it is my understanding that Romania has $8.25 billion in loans from Western banks. They can barely, if at all, make the interest payments on these loans. We figure that they stand to lose almost $2 billion a year in hard currency trade with the West—hard currency which they very badly need to pay these banks. I don't think Romania can afford to lose completely its most-favored-nation trade status, and we will be putting this country in the corner. They will have to make a decision as to whether they are going to default on those loans or as to whether or not they are going to continue to build up their economic system through this most-favored-nation trade status and, at the same time, give their own people, or treat their own people with human respect and human dignity.

This is all that we are asking for.

Senator **Chafee**. All right. Mr. Koszorus, do you agree with that?

Mr. **Koszorus**. I certainly do. I think that the relationship between the United States and Romania, in particular, is a very lopsided relationship. I think the Romanians need our trade far more than we need theirs. And I think that the United States has to articulate and implement a human rights policy with respect to Romania. We have consistently for the past several years——

Senator **Chafee**. That is a point—of articulating our human rights policy—but the question is—and I don't disagree with you at all on that point, that removing the most-favored-nation is a statemeot on behalf of the United States. The real question before us is: Is it going to do any good? Now, maybe we just want to make a statement and we don't care if it does any good; but the message from each of the witnesses here is concern for those religious groups and those political groups inside Romania. So, the question before us is: How do we help them? So, why don't you restrict your remarks to that particular point?

Mr. **Koszorus**. As I indicated, I believe that the Romanians are dependent on our trade and the possibility of losing that trade and the benefits that flow from MFN, not to mention the continued good or special relationship with the United States, may nudge them toward a more humane policy with respect to their citizens. I don't know if that would be the result, but I would certainly hope that would be the case, and that is the reason for our testimony in favor of suspending MFN at this point.

Senator **Chafee**. All right. Ms. Burkhalter, do you want to say anything else?

Ms. **Burkhalter**. Just very briefly. Senator Danforth is quite right, that the bill before you is neither fish nor fowl and, of course, deliberately so. In the opinion of the Helsinki Watch, it would be bad to lose MFN all together; you have lost that leverage, and we don't want to see it go.

On the other hand, the consideration of some form of suspension would make the process seem to the Romanians even more serious. Senator Danforth, I didn't mean to suggest for a second that you or your people considered this a pro forma exercise. We certainly don't; we know you don't. We are afraid the Romanians do. That was the point there. And beefing up the process, making the Romanians jump through a couple more hoops, or however you want to look at it, is our hope to make the MFN not considered a fait accompli every year when we go around on this. That is how I would view the suspension argument; but you are quite right, Senator, it is neither and it is quite blurry.

Senator **Chafee**. Let me just mention one more point, if I might, and that is that it has been my experience—and I am open to challenge on this—that publicly chastising another nation and requiring it to jump through some hoops, as you say, has never been successful. The nation will not respond in what we would consider a rational way. To have your trade with the United States, Romania, you must do a, b, and c; and it will help your hard currency situation. But nations don't respond that way, in my judgment. They will endure the loss of hard currency or the loss of wheat or whatever it is, rather than publicly respond to what the nation perceives as a humiliation; and that is the problem that I think we have to wrestle with.

And if you look at the history of demanding that this nation or that nation do so-and-so before the United States will embrace them, I think it has been uniformly a failure. And that is why I see little value in removing MFN and expect it to do any good, particularly with a deadline on it, as the 6 months provision is. Mr. Crossley, do you have any thoughts on that?

Mr. **Crossley**. Actually, there is another fear from the human rights perspective, and that is that the Romanian Government, deeming this to be a gross interference in their internal affairs, may just say, "Well, we don't want it any more; it is not worth it to us." There have been indications of that; and we would lose the entre that we have into their society to even discuss these situations.

I am also involved in Czechoslovakia and cases in Czechoslovakia. We almost have no platform from which to speak or from which to even raise concerns. You know, we have the Helsinki process and things; but there really is nothing with teeth, as our trade relationship is limited. I do fear that a suspension of MFN would cause the Romanian Government to say that that is just equal to cancellation. People could be underestimating the Romanian ego in reaction to this bill and they will just divest themselves of it all together.

Senator **Chafee**. Thank you very much, Mr. Chairman.

Senator **Danforth**. Thank you. Let me thank the panel for very excellent testimony and for your observance of the time constraints.

Next, we have a panel consisting of Peter Handal, chairman of the American Association of Exporters and Importers; Robert Robertson, vice president of Occidental International; Juliana Pilon, senior policy analyst at the Heritage Foundation; Michael Szaz, secretary of international relations, American Hungarian Federation; and Rabbi Jacob Birnbaum, national coordinator, the Center for Russian and East European Jewry. Mr. Handal, your name is first on the list. Would you proceed?

STATEMENT OF PETER V. HANDAL, PRESIDENT, VICTOR B. HANDAL & BRO.; AND CHAIRMAN, AMERICAN ASSOCIATION OF EXPORTERS AND IMPORTERS, NEW YORK, NY

Mr. **Handal**. Thank you, Mr. Chairman and Senator Chafee. I am Peter Handal, president of my own importing company and chairman of the American Association of Exporters and Importers a national organization which represents over a thousand U.S. firms involved in every facet of international trade.

Approximately 130 American companies, many of them AAEI members, do business with Romania. Together they account for an annual bilateral trade volume of approximately $1.2 billion. U.S. exports to Romania alone employ approximately 11,000 Americans a year. Many of these jobs would be lost if MFN were suspended or withdrawn, as would thousands more jobs in many importing companies such as my own, which depend heavily on trade with Romania.

With regard to exports, withdrawal of MFN status would simply dry them up for three reasons: first, GATT rules would permit Romania to withdraw MFN status from the United States if we canceled MFN status for Romania; second, the Romanian Government follows a policy of buying goods from countries to which it sells,. third, Romania has relied on exports to the United States to provide hard currency which it uses to repay debts to the U.S. Government and private Western banks, as well as to finance the import of goods from the United States.

As for imports from Romania, they, too, would drop extremely sharply if MFN status were ended. My own company provides a good example of what would happen. Loss of MFN would affect us in two ways. First, we would immediately incur a significant financial loss on merchandise already contracted for sale and at specific price, but not yet delivered. Second, we would simply be unable to continue importing goods from Romania because the duty increase would make it impossible to sell the products competitively in the United States.

In my written testimony, I gave some specific numbers and examples of how this would work; and if you would be interested later, I would be happy to go through some of the details of it. The importance of MFN to firms involved in U.S. trade was one of the reasons which prompted the President to recommend that MFN status be continued for another year.

However, the President acknowledged continued concerns about emigration and religious freedoms in Romania and we are, of course, cognizant of these concerns as well. However, it is our opinion that in the past MFN has been the critical link which has enabled the United States to press for improvements. MFN has also helped Romania to maintain a relatively high level of independence from the Soviet influence.

These nontrade benefits of MFN would also vanish if it were withdrawn. In conclusion, withdrawing MFN would simply be punitive for Romania and for those Romanian citizens whose lives the United States would hope to improve. It would be obviously punitive to the thousands of U.S. workers employed in the bilateral trade with Romania; and on behalf of the members of the AAEI, I strongly urge the members of this committee not to engage in such punitive action but to continue MFN as the foundation of a valuable trading opportunity for U.S. firms and their workers and for this country's policy interests in Romania. Thank you, Mr. Chairman.

Senator **Danforth**. Thank you. Mr. Robertson?

[The prepared written statement of Mr. Handal follows:]

TESTIMONY OF PETER V. HANDAL
ON ROMANIA'S MOST FAVORED NATION STATUS
BEFORE THE SUBCOMMITTEE ON
INTERNATIONAL TRADE COMMITTEE ON FINANCE
UNITED STATES SENATE
AUGUST 1, 1986

Good morning, Mr. Chairman and members of the Subcommittee. I am Peter V. Handal, President of Victor B. Handal & Bro., Inc. I am also Chairman of the American Association of Exporters and Importers (AAEI), and it is in that capacity that I appear here today. AAEI is a national organization which represents approximately 1,000 U.S. firms involved in every facet of international trade. Our members are active in importing and exporting a broad range of products including chemicals, machinery, electronics, textiles and apparel, footwear, foodstuff, automobiles, and wine. Association members are also involved in the service industries which serve the trade community, including customsbrokers, freight forwarders, banks, attorneys and insurance carriers. Persons involved in nearly all of these areas of international trade would be affected by the withdrawal or suspension of most favored nation (MFN) status for Romania. In fact, due to the large interest in trade with the People's Republic of China, Romania and other Eastern European countries, AAEI is forming a special group to monitor MFN status for such countries. I am pleased to have the opportunity to comment on behalf of the Association on this issue of great importance to our members.

Approximately 130 U.S. firms, many of them AAEI members, do business with Romania. These firms are both large and small and represent a variety of industries including argriculture, mining, textiles, foodstuffs, luggage, furniture, and chemicals. Together they account for an annual bilateral trade volume of approximately $1.2 billion. As I will explain further, this volume of trade would decline sharply if MFN status for Romania were suspended or withdrawn, to the great detriment of U.S. firms and their employees. U.S. exports to Romania alone employ approximately 11,000 Americans a year, according to the Department of Commerce; at their peak before the onset of Romania's current economic crisis, U.S. exports to the nation generated over 18,000 jobs annually. Many of those jobs are in such severely depressed industries as agriculture and mining. These jobs would be lost, for the most part, if MFN were suspended or withdrawn, as would thousands more jobs in the many small-to-medium-sized importing firms, such as my own company, which depend heavily on their trade with Romania.

It is important to note in this regard that, although the U.S. is presently in a deficit posture with regard to Romania, our trade relationship with that nation has been extremely beneficial for the U.S. economy. The reason for this, as the Department of Commerce pointed out in testimony earlier this summer before the House Ways and Means Committee, is that U.S. exports to Romania are exports which would simply not exist, i.e., would not find other markets, if the Romanian market were not available. Our imports, on the other hand, are essential and non-unique products, primarily petroleum products and semi-manufactures, which would have to be imported from other countries, and possibly at higher prices, if they were unavailable from Romania. Significantly, U.S. imports of non-petroleum products have fallen since 1983, while U.S. exports for the first quarter of this year, $108 million, are more than double the level of exports to Romania last year.

I would like now to explain why and how these important trade benefits which MFN status brings to U.S. businesses and employees would nearly vanish if MFN status for Romania were discontinued. MFN is the foundation for both sides of our bilateral trade relationship with Romania. That status, first granted by the President in 1975, permits imports from Romania to enter the United States at the lower "Column 1" duty rates, whereas imports from non-market economies not granted MFN status are subject to vastly higher "Column 2" rates. In some instances, Column 1 and Column 2 rates vary as much as from 5% to 90%.

In return for the extension of MFN status by the United States, Romania entered into a bilateral agreement with this country pursuant to which it in effect extends MFN status to our exports. As a result, U.S. exports to Romania enjoy preferential duty treatment, providing an important competitive advantage.

Removing MFN status for Romania would literally pull the rug out from under this trade, both exports and imports. With regard to exports, withdrawal of MFN status would simply dry them up, for three reasons. First, Romania is a member of the General Agreement on Tariffs and Trade (GATT), which it joined in 1971. GATT rules would permit Romania to withdraw MFN status from the United States if we cancelled MFN status for Romania.

Second, the Romanian Government follows a policy of buying goods from countries to which it sells. As I will explain further, imports from Romania would drop precipitously if MFN status were discontinued. This would make it most difficult for Romania to continue its current level of imports from the United States, particularly since Romania has been favoring imports from the United States at the expense of trade with other Eastern European nations and the Soviet Union. Third, Romania is desperately short of hard currency, and has relied on imports from the United States to provide hard currency which it uses to repay debts to the U.S. government and private western banks as well as to finance the import of goods from the United States. Without this hard currency infusion from its exports to the United States, Romania would simply be unable to continue paying for goods and services imported from the U.S.

As for imports from Romania, they too would drop extremely sharply if MFN status ended. The tariffs on goods imported from Romania would jump back to the substantially higher Column 2 duty rates. In addition, the benefits of duty-free entry for some goods under GSP would also end, since MFN is a necessary condition for GSP status. This enormous jump in duty rates would, according to the Department of Commerce, injure the competitiveness of 90% of goods imported from Romania. Since a great many of the firms importing goods from Romania are small businesses which depend heavily on their trade with Romania in particular, the effect would be disproportionately severe on small firms and their employees.

My own company provides a good example of what would happen to such small importers if MFN for Romania were withdrawn. We import from Romania various items of children's clothing, including some imprinted with various popular cartoon characters for which we are licensed. We do a substantial business with Romania every year, and loss of MFN would affect us immediately and heavily in two ways. First, we would immediately incur a significant loss on merchandise already contracted for sale at a specific price, but not yet delivered. If duty rates increased from Column 1 to Column 2 levels before delivery, we would have to absorb those increases. The duty increase would completely wipe out our gross profits in most instances, thereby turning these purchases into losses after royalties, sales commissions, and overhead are considered. And in some instances the increase is so substantial that we actually would have out-of-pocket losses even before considering these other expenses.

Second, in the future we would simply be unable to continue importing goods from Romania, because the duty increase would make it impossible to sell the products competitively in the United States. For example, duties on the sweaters we buy would leap from Column 1 rates of 32.5% + 15 cents/pound to Column 2 rates of 72%. The actual duty per item would more than double from $10.62 to $22.32. Duties on the shirts we import would increase from 21% under Column 1 to 45% under Column 2. Duties on shorts would rise from Column 1 rates of 17.3% to 45%, with the actual duty almost trebling from $1.17 to $3.04. At the very least, these import increases would necessitate reducing the scale of our business and letting many employees go.

Numerous other small importers would face similar or identical situations. In those few instances where it might be feasible to continue importing goods from Romania even at Column 2 duty rates, American consumers would pay the price, literally, in significantly higher prices for these goods.

The importance of MFN to firms involved in U.S. trade was one of the reasons which prompted the President to recommend that MFN status be continued for another year. In his report to Congress transmitting this recommendation, the President acknowledged continued concerns about emigration and religious freedoms in Romania, and we are of course cognisant of those concerns as well. However, in the past MFN has been the critical link which has enabled the United States to press for improvements in emigration policies, levels of emigration, release of prisoners of conscience, expanded religious liberties, and family reunifications. MFN has also helped Romania maintain a relatively high level of independence from Soviet influence.

These non-trade benefits of MFN would also vanish if it were withdrawn. In the end withdrawing MFN would simply be punitive. Not only would it be punitive for Romania and for those Romanian citizens whose lives the U.S. would hope to improve, it would also obviously be punitive for the thousands of U.S. workers employed in bilateral trade with Romania. On behalf of the members of AAEI, I strongly urge this Committee not to engage in such punitive action, but to continue MFN as the foundation of valuable trading opportunities for U.S. firms and their workers and for this country's policy interests in Romania.

Thank you, Mr. Chairman. I would be happy to answer any questions you may have.

STATEMENT OF ROBERT ROBERTSON, VICE PRESIDENT, OCCIDENTAL INTERNATIONAL, INC., WASHINGTON, DC; ON BEHALF OF THE AMERICAN BUSINESSES FOR INTERNATIONAL TRADE

Mr. ROBERTSON. Mr. Chairman, in the interest of time, I know you are very busy with other responsibilities, I have a statement which I would like to submit for the record.

Senator DANFORTH. All written statements will automatically be entered in the record. So, you can just summarize your testimony.

Mr. ROBERTSON. Thank you, sir. My name is Bob Robertson, and the three of us at this end of the table are members of the American Businesses for International Trade. In addition to myself, to my left is Mr. Harold Chapler, president of Cheromi, Inc., headquartered in New Jersey, a small to medium firm dealing with Romania; and to my far left is Pat O'Connor, principal partner in the law firm of O'Connor-Hannon here in Washington, retained by American Businesses for International Trade, to support President Reagan in calling for extension of most-favored-nation status for Romania.

I would like, at the outset, very briefly to say that the three of us were in Romania through the period July 7 to 14, which is of recent vintage; and during that stay, we met 25 different times with government officials, ranging from the top down to leaders of governmental districts within Bucharest, Sebu, and Oradea, a city in the north of Transylvania near the Hungarian border. In addition to the governmental officials with whom we met, we did meet with leaders of a number of the recognized religious organizations in Romania, including the patriarch of the orthodox church, the head of the reformed church, Dr. Knick, the head of the largest Baptist congregation within Romania, and with Rabbi Rosen whose name has come up any number of times this morning, and with the archbishop of the Roman Catholic church, and others, including metropolitans, priests, average citizens, and so forth.

I am impressed with a number of the statements that have been made here that coincide with comments that are included in our statement. We associate ourselves with Ambassador Ridgway's comments and the recent comments of Senator Chafee regarding the reactions of sovereigns to the sort of punitive action that would be proposed through Senator Trible's legislation or the other legislation on the House side. It would be counterproductive; and, as Ambassador Ridgway pointed out, it is very strongly my feeling that we have to think about those souls who must live within Romania and whose lives, it is my conclusion, would not be bettered by either a suspension, which is tantamount to a total destruction of trade relations with Romania, or through a total abolition of that most-favored-nation status.

Senator DANFORTH. Thank you, Mr. Robertson. Dr. Pilon?

[The prepared written statement of Mr. Robertson follows:]

STATEMENT OF ROBERT ROBERTSON
ON BEHALF OF
AMERICAN BUSINESSES FOR INTERNATIONAL TRADE
BEFORE THE
SUBCOMMITTEE ON INTERNATIONAL TRADE
SENATE COMMITTEE ON FINANCE
AUGUST 1, 1986

Good morning, Mr. Chairman and members of the Subcommittee. I am Bob Robertson, Vice President of Occidental International and a member of the Executive Committee of American Businesses for International Trade (ABIT). With me are Harold Chapler, President of Cheromi, Inc., also a member of the ABIT Executive Committee, and Patrick J. O'Connor of O'Connor & Hannan, counsel to ABIT. ABIT is an ad hoc group of firms which do business with Romania. We have joined together for the specific purpose, which we consider most urgent, of pursuing continued MFN status for Romania. Mr. Chapler, Mr. O'Connor and I have just returned from a week-long fact-finding trip to Romania. We are pleased to have the opportunity to present our views to the Subcommittee today.

As you know, MFN status has been granted to Romania every year since 1975. MFN has been the basis for a growing bilateral trade between the U.S. and Romania which reached a level of $1.2 billion in 1984 and about $1.8 billion in 1985. Over 230 firms are involved in this trade, including ABIT members such as my own firm, Occidental, along with, for example, General Electric, Dow Chemical Company, and medium-and smaller-sized firms such as Mr. Chapler's company, Cheromi, Inc. These companies, 30 of which have offices in Bucharest, are involved in both imports and exports in a variety of industries including mining, agriculture, furniture, electronics, textiles, leather goods, and apparel, and employ thousands of workers in states across the nation.

It should be noted that "most-favored-nation" status, despite its name, is not a privileged status, bu one enjoyed by the vast majority of our trading partners, including nonmarket economies such as Hungary and the People's Republic of China. Maintaining this nondiscriminatory status for Romania is essential to the continuation of our bilateral trade. With regard to imports, MFN permits imports from Romania to enter the U.S. at the lower "Column 1" duty rate instead of the much higher "Column 2" rates otherwise applicable to imports from non-market economies. The enormous increase in duty rates applicable to these imports which would occur if MFN status were withdrawn -- in some cases from 5% to 90% -- would make importing from Romania essentially prohibitive for many of our members. ABIT estimates that U.S. imports from Romania would fall by as much as $300 million if MFN were withdrawn. Within ABIT there are particularly small firms which depend for their existence on trade with Romania. Denial of MFN would mean the end of their operations altogether and the loss of jobs for their employees.

At the same time, withdrawal of MFN would seriously curtail our export trade with Romania, which has totaled over $3.5 billion since MFN recognization in 1975. That trade would be cut in half if MFN were withdrawn, according to ABIT's estimate, which was confirmed in a meeting we recently held with the Foreign Ministry of Romania on July 10. There are several reasons for this. First, Romania grants MFN status to the U.S. in return for its continued MFN status here, and would no longer be obliged to provide that benefit if the U.S. withdrew. As a result, U.S. exports to Romania, just like Romanian imports to this country, would be subject to substantially higher duties and thus lose their competitiveness in the marketplace. Second, Romania has a policy of purchasing goods from countries to which it exports. Third, Romania relies on its exports to the United States to obtain the hard currency it needs to finance purchases of goods and services from here.

Among the U.S. industries which export to Romania in substantial volumes and would be particularly hard hit if MFN were withdrawn are agriculture and mining, which, as we all know, are already plagued with overcapacity and unemployment. Moreover, removing the Romanian market for U.S. exports would not be matched by improvement in the U.S. balance of trade with Romania, because the exported goods would not find substitute markets, while the imported goods, mostly essential items such as petroleum, would have to be imported from elsewhere. For this reason removing MFN from Romania would worsen our trade balance overall by eliminating export markets while not affecting import demand.

As a Vice President of Occidental, I am acutely aware of what removing the Romanian market would do to the economy of a very depressed region of this country. A subsidiary of Occidental, Island Creek Coal Company, has been involved since 1977 in a joint venture with Romania to develop a metallurgical coal mine in Buchanan County, Virginia to provide coal to Romania. Through an agency called Mineralimportexport, Romania has invested over $60 million in the company's Garden Creek Pocahantas Coal mine, which was developed expressly for sales to Romania. In 1985, more than 600,000 tons of high-quality metallurgical coal were shipped from the mine to Romania, and this year we expect to deliver more than 500,000 tons of coal, with an estimated delivered value of $25 million. Our agreement with Romania calls for the mining and sale of more than 14 million tons of cleaned coal over a period running from 1980 to 2015.

This arrangement has created jobs for over 255 miners and 55 supervisory and staff personnel at the mine, accounting for a payroll of approximately $12 million in 1985. In addition, it has generated hundreds more jobs in ports, railways, and other mining-related businesses in the entire region running from southwest Virginia to Norfolk and other coal ports around the nation. For example, all of the mine's coal is shipped on the Norfolk and Western Railway, providing over $18 million per year in revenue to the line. The coal is shipped from coal piers at Norfolk and at Morehead City, North Carolina, Charleston, South Carolina, and New Orleans, Louisiana, generating jobs and revenue for all of those cities. Without continued MFN status for

Romania, all this economic stimulation and employment would be lost. At the same time, agricultural firms such as Cargill, Dreyfuss, Continental Grain, and others which export over $100 million of wheat, corn, soybeans, and cotton to Romania every year would also suffer unemployment and loss of revenue as the Romanian market contracted or disappeared altogether.

A point we want to emphasize most strongly is that a six-month suspension, as called for in S.1817, is absolutely equivalent to a total withdrawal. For one thing, suspension would affect hundreds of companies who have already contracted for goods to be delivered in the future at set prices and would have to bear the increased duties on these goods as soon as MFN were withdrawn. More significantly, a suspension would greatly damage the reputation of U.S. firms as reliable trading partners, making our trading partners in Romania most reluctant to enter into future relationships with American firms and very likely affecting the government's willingness to continue extending MFN to us. A case in point is the Soviet grain embargo during the Afghanistan invasion, which resulted in continuing Soviet policy thereafter to limit grain purchases from the U.S. to 30% or less of the Soviet Union's needs, in order to avoid supply disruptions again.

My company and the other members of ABIT are aware that the issues involved in extending MFN status to Romania are not exclusively economic ones. Our members, many of whom are like Mr. Chapler, who has visited Romania over one hundred times during the past 20 years, appreciate the concerns expressed by some private organizations and Members of Congress with regard to emigration and religious freedoms. We are convinced, however, that continuing MFN status for Romania provides the best opportunity for the U.S. to influence further improvements in these areas, and that the existence of MFN since 1975 has been the source of improvements that have occurred since that time. All religious leaders with whom we have talked, within and without Romania, concur in this view. This was most strongly stated by Dr. Joseph Ton, now a leader of the Romanian Missionary Society, located in Illinois and formerly head of the largest Baptist congregation in Romania. He said to me in a private conversation, "It would be a disaster for my people if MFN were withdrawn."

Recent history contains clear evidence of the benefits of a strong trading relationship for emigration and religious freedom. Romania has been responsive to the positive influence the United States has been able to exert through the contact bilateral trade makes possible. Emigration to the U.S. has increased 10 times in the period 1974-1984, and Romania has substantially improved its emigration policies in response to U.S. requests. For example, in 1983, following the possibility that the President would deny MFN status, Romania agreed not to implement a proposed education tax on prospective emigres. In 1985, Romania agreed with the U.S. not to curtail other freedoms for prospective emigres, and has implemented this agreement since then. During the past year, Romania has released a number of religious leaders and prisoners of conscience at the urging of the United States, and in September of 1985 opened the country to a nationwide Billy Graham crusade.

MFN has also enabled Romania to maintain the greatest degree of independence from Soviet influence of all the Warsaw Pact nations. Romania is the only Warsaw Pact country to conduct more than 50% of its trade with the United States. Romania maintains diplomatic relations with Israel, despite Soviet refusal to recognize Israel, and has permitted substantial emigration of Jews to Israel and other Free World countries. In addition, Romania refused to join the Soviet-sponsored boycott of the 1984 Olympic Games.

These positive steps could not and would not have been taken without the continued existence of MFN. During our trip to Romania earlier this month, we traveled throughout the country and spoke with all major religious leaders, Romanian officials, and people we simply met on the street. All of us have returned convinced from our own experience of the vital role MFN plays in facilitating improvements in emigration and religious and human rights treatment in that country. Mr. Chapler will speak briefly when I have finished about his observations of Romania during his dozens of visits.

In concluding, I wish again to emphasize that we see no reason to remove the important trade benefits which continued MFN status for Romania brings to importers and exporters in the

United States. Further, we strongly believe that, given the proven effectiveness of MFN as an inducement for Romania to improve conditions affecting emigration and religious freedoms, any action to suspend or withdraw Romanian MFN status would serve no interest of the U.S., political or economic. For these reasons, ABIT urges Congress not to exercise its disapproval authority over the President's recent recommendation to extend MFN treatment and to reject pending independent legislation to suspend or deny that status.

We thank the Subcommittee for the opportunity to appear today and would be happy to answer any questions.

STATEMENT OF JULIANA PILON, PH.D., SENIOR POLICY ANALYST, THE HERITAGE FOUNDATION, WASHINGTON, DC

Dr. PILON. I am Juliana Pilon, senior policy analyst at The Heritage Foundation, and an immigrant from Romania in 1962, proof positive that emigration can take place, indeed, before and perhaps after MFN. There will be other testimony here indicating that, for example, the emigration of Jews to the United States—I am Jewish myself—was rather greater before MFN than after.

It is a privilege to be here. I am testifying today in favor of suspending MFN status for Romania. I would like to make a few points that have not been made before.

In the first place, when you talk about numbers of emigrants from Romania, not all of these people are necessarily what one would consider bona fide emigrants. This point has been made by former Ambassador Funderburk in previous testimony, but what is important is the fact that many of those who do emigrate to Israel and Germany reportedly have been sold by Bucharest, which charges those countries thousands of dollars per person, in direct violation of the provisions of the Jackson-Vanik amendment. This is something that I think is terribly important and has to be investigated further.

Romania's human rights record has been already denounced ad nauseum here. I will not repeat the emigration problems, the harassment that Romanians feel, as Senator Wallop has indicated. Romanians lose their jobs, housing, access to medical care, face public denunciation, and even arrest after requesting permission to leave.

We have already heard the stories of elderly and ill applicants who are denied permission to emigrate. Western diplomats confirm that Romanian officials demand bribes of up to $3,200 in exchange for emigration papers—again, in direct violation of the provisions of the Jackson-Vanik amendment.

Freedom of religion has been discussed, and we have already talked about recycling bibles into toilet paper. Repression of the aged is a recent phenomenon. There are several independent reports by relatives of Romanians in the United States that in the past year Romania has begun refusing to give medical treatment to those over age 75. A program announced by President Ceausescu in September of 1985, meanwhile, forces pensioners to relocate from cities to the country, which for many of them means intense suffering and even death because of harsh conditions. The reason for this policy apparently is to reduce government expenses.

But I would like to emphasize rather the problems that are becoming increasingly evident in the area of foreign policy, problems that the State Department has also alluded to. Yes, indeed, Romania does support terrorism, but let's look at the large picture. According to the former U.S. Ambassador to Romania Funderburk, many of the 20,000 Arab students in Romania are being trained as terrorists outside of Bucharest. The implicit terrorist link was confirmed officially in 1983 when Romania signed a friendship treaty with Libya. According to the surviving terrorists at the December 1985 Rome airport massacre, the terrorists on that same December day who attacked the Vienna airport had received help from Bucharest.

Senator DANFORTH. Thank you, Dr. Pilon. Mr. Hamos?

[The prepared written statement of Dr. Pilon follows:]

Testimony by

Juliana Geran Pilon, Ph.D.
Senior Policy Analyst
The Heritage Foundation

before the International Trade Subcommittee

of the Senate Committee on Finance

August 1, 1986

ROMANIA BREAKS ITS BARGAIN WITH THE U.S. FOR TRADE FAVORS

Each summer the U.S. reviews its decision to grant Romania "Most Favored Nation" (MFN) trade status. This privilege has proved very lucrative for Romania, which last year sold the U.S. $928 million in goods but bought only $203 million in American products in return. Romania's MFN status is always under scrutiny because the Jackson-Vanik Amendment of 1974 prohibits granting such status to nations denying their citizens the right or opportunity to emigrate and/or impose more than a nominal tax on citizens who wish to emigrate. The President may waive the prohibition annually, subject to congressional approval, if it appears that liberalized emigration and human rights policies may result. Presidents and Congresses have waived the ban on Romania since 1975. Romania's totalitarian regime, however, consistently has broken its part of the bargain.

This year the time at last has come to declare Romania in violation of the Jackson-Vanik conditions and to withdraw from that country its MFN privilege. Romania fails to allow thousands of its citizens to emigrate and harasses who have applied to leave for the West. Many of those who do emigrate to Israel and Germany reportedly have been "sold" by Bucharest, which charges those countries thousands of dollars per person in direct violation of the provisions of the Jackson-Vanik Amendment. Moreover, Romania's human rights record has deteriorated steadily in the past ten years. Ronald Reagan recognized this on June 3, when he granted MFN status to Romania for another year. He admitted the decision was "taken with difficulty" and stressed that he shares "the strong concerns manifested among the public and in Congress, regarding the Romanian government's restrictions of religious liberties," and its "numerous problems...in the emigration area." Examples:

EMIGRATION. "Many thousands of people wish to leave Romania," according to testimony by Nina Shea of the International League for Human Rights on June 10, 1986, before the House Subcommittee on Trade. Merely for requesting permission to leave, Romanians are harassed, often lose their jobs, housing, access to medical care, face public denunciation and even arrest. Many elderly and ill applicants, as well as small children whose parents are already abroad, are denied permission to emigrate altogether. Western diplomats, moreover, confirm that Romanian government officials demand bribes of up to $3,200 in exchange for emigration papers.

FREEDOM OF RELIGION. Distribution of religious literature "by unauthorized individuals" is punishable by severe prison terms. The Evangelical Christian churches have been treated especially harshly, according to the U.S. Helsinki Watch Committee. Several historic Baptist churches have been demolished. So have several major Jewish synagogues as part of a policy to obliterate Jewish culture. Some 20,000 Bibles sent by the World Reformed Alliance to Hungarian

Reformed Church members were confiscated and recycled into toilet paper at a paper mill in Brăila. Indeed, the 1.7 million strong Hungarian minority has seen its cultural institutions destroyed, its poets, artists, and teachers repressed severely.

REPRESSION OF THE AGED. According to independent reports by relatives of Romanians in the U.S., in the past year Romania has begun refusing to give medical treatment to those over age 75. A program announced by President Nicolae Ceausescu in September 1985, meanwhile, forces pensioners to "relocate" from cities to the country, which for many of them means intense suffering and even death because of the harsh conditions. The reason for these policies apparently is to reduce government expenses.

TERRORISM. According to former U.S. Ambassador to Romania David Funderburk, many of the 20,000 Arab students in Romania are being trained as terrorists outside of Bucharest. The implicit terrorist link was confirmed officially in 1983 when Romania signed a Friendship Treaty with Libya. And according to the surviving terrorist at the December 1985 Rome Airport massacre, the terrorists who that same December day had attacked the Vienna Airport had received help from Bucharest. Romania also wages a terrorist war against Romanians living abroad. General Ion Pacepa, former deputy director of the Romanian secret service who defected in 1978, has revealed that the Romanian government has a complete, computerized data bank on Romanians in exile, and uses beatings, kidnappings, and assassination to punish those who criticize Romania's communist regime in the West.

Consistently, Romania demonstrates it is no friend of the U.S. Bucharest works closely with Soviet intelligence agencies against Western interests and Romania shares with Moscow defense-related technology obtained from the U.S. At the United Nations, meanwhile, Romania voted with the U.S. last year only 14.6 percent of the time, a more dismal record than even Poland and just a shade better than Soviet Union's 12.2 percent. To make matters worse, Romania increasingly is believed to be involved in promoting narcotics trafficking into the U.S.

One thing is clear, Romania's enjoyment of Most Favored Nation trade privileges with the U.S. has not encouraged Bucharest to temper its repressive policies at home or its anti-American activities abroad. It thus is time for Washington to face the reality and deny Romania its MFN free ride.

Juliana Geran Pilon, Ph.D.
Senior Policy Analyst

STATEMENT OF LÁSZLÓ HÁMOS, CHAIRMAN, COMMITTEE FOR HUMAN RIGHTS IN ROMANIA, NEW YORK, NY

Mr. HÁMOS. Mr. Chairman, my organization, the Committee for Human Rights in Romania, has monitored the condition of human rights and the rights of national minorities in that country since 1976. I am pleased that this subcommittee is again holding a hearing on most-favored-nation status for Romania. What you say and do here today vis-à-vis the Romanian Government's brutalities is probably not a very significant matter in terms of the overall crowded Senate agenda, in terms of the big picture; but I want to emphasize in the strongest possible terms that the action you take or fail to take on Romania does have an enormous impact on the masses of people who must live in daily fear of the Government of that country.

For the victims of Romanian Government terror, it makes every difference in the world if they can live in the knowledge that another government, such as the United States Government, knows of their plight and is at least trying to take effective action on their behalf. It is in this regard, Mr. Chairman, that your words and deeds today take on tremendous importance.

Because of the relative difference in size and economic and political power between the United States and Romania, what sounds like a whisper in this town comes across as a roar in Eastern Europe. The interests and the concern you express here today are closely scrutinized, not just by Romanian Government officials, but by the peoples of that oppressed society whose every hope and aspiration hangs in the balance.

But the reverse is equally true, Mr. Chairman. The U.S. Government's disregard of the Ceausescu regime's human rights abuses comes across as a deafening silence in that region.

Mr. Chairman, I want to emphasize that it has been since the granting of MFN 11 years ago that conditions have grown exceedingly worse for Romania's national minorities. A decade ago, I could not say that Hungarians were being killed or maimed purely on grounds of their ethnic affiliation. Today, tragically, I can. Romania is the country where, in January of this year, secret police agents engineered the death by hanging of a leading cultural personality, the Hungarian minority actor, Árpád Visky.

This is the country where last fall all remaining minority language schools were forced to close down, where all minority radio and TV broadcasting was summarily eliminated, where leading minority cultural personalities are systematically harassed and intimidated, and where the Government has instituted a wide range of administrative measures to denationalize and forcibly assimilate the minorities. Minority citizens today are the focus of persecution and an atmosphere of sheer physical terror to an unprecedented extent.

The United States is a country which prides itself in respect for the value of cultural diversity. I believe we must no longer allow ourselves to be seen as legitimizing the repugnant assimilationist policies of the Romanian Government.

Suspension or termination of Romania's MFN status would accomplish exactly that purpose. Thank you, Mr. Chairman.

Senator DANFORTH. Thank you, Mr. Hámos. Mr. Szaz?

[The prepared written statement of Mr. Hámos follows:]

STATEMENT
BY THE
COMMITTEE FOR HUMAN RIGHTS IN RUMANIA

Supplementing the
Oral Testimony
of
László Hámos

on behalf of the
Committee for Human Rights in Rumania

before the
Subcommittee on International Trade
of the
Committee on Finance
United States Senate

at Hearings

ON CONTINUATION OF
MOST-FAVORED-NATION STATUS FOR RUMANIA

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August 1, 1986

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STATEMENT

Mr. Chairman, my name is László Hámos, and I am president of the Hungarian Human Rights Foundation, a nationwide non-profit organization incorporated in New York State. The Foundation is an outgrowth of the Committee for Human Rights in Rumania, an organization which has, and continues to closely monitor the condition of human rights and the rights of national minorities in that country since 1976.

I am pleased, that this Subcommittee is again holding a hearing on most favored nation status for Rumania. After ten years of witnessing Rumanian government deception and American acquiescence over the miserable fate of Rumania's minorities, I harbor no illusions about the probable outcome of this proceeding. Nevertheless, the event in itself provides at least a forum for publicizing the atrocious and worsening human rights behavior of the Ceausescu regime: the campaign of terror against minority cultures, the cases of torture and intimidation of leading Hungarian cultural figures, the beating to death of priests, the mysterious hanging of a prominent Hungarian actor, the fact of Hungarian Bibles turned into toilet paper, and the many other tales of horror from that dark corner of the world which is Rumania.

What is difficult to fathom, Mr. Chairman, is how the Members of Congress, can remain indifferent year after year to the cynical, manipulative nature of official Rumanian behavior in responding to U.S. concerns over human rights. The most recent illustration is classic: a dramatic last minute announcement of the intention to resolve 1,000 emigration cases and release two or three religious activists.

Here, I want to focus for a moment on the question of credibility: specifically, U.S. credibility as it is perceived by millions of oppressed peoples not only in Rumania, but the other countries of Eastern Europe and elsewhere. What you say and do here today vis à vis the Rumanian government's brutalities is probably not a very significant matter in the big picture. Obviously, relative to the many issues on the Senate agenda, the subject of U.S. policy toward Rumania, or the whole of Eastern Europe for that matter, necessarily occupies a low position.

But, I want to emphasize, in the strongest possible terms, that the action you take, or fail to take on Rumania, does have an enormous impact on the mass of people who must live in daily fear of the government of that country. For those who must live in everyday fear of government terror, it makes every difference in the world if they can live in the knowledge that another government, such as the U.S. government, knows of their plight and is at least trying to take effective action on their behalf.

It is in this regard, Mr. Chairman, that your words and deeds today take on tremendous importance. Because of the relative difference in size and economic and political power between the U.S. and Rumania, what sounds like a whisper in this town comes across as a roar in Eastern Europe. The interest and concern you express here, today, are closely scrutinized not just by Rumanian government officials, but by the peoples of that oppressed society whose every hope and aspiration hangs in the balance.

But the reverse is equally true, Mr. Chairman. The U.S. government's disregard of the Ceausescu regime's human rights abuses comes across as a deafening silence in that region. This is a question to which I can testify from a great deal of personal experience. In recent years, though not to Rumania, I have traveled often and extensively in Eastern Europe. In addition, one aspect of my eleven years of working with the Committee for Human Rights in Rumania is that I regularly meet and have extensive discussions with people from Rumania: visitors and immigrants, intellectuals and ordinary folk alike. The single question I am asked most frequently, and with increasing desperation, concerns the U.S. government's failure, after eleven years, to terminate Rumania's MFN status. "How is it possible," I am asked, "that a government with a stated policy of concern for human rights fails to take action where it could have a real impact on the condition of human rights?" "Are they so ill informed?" "Or is this some kind of cynical, great power duplicity, played out at our expense?"

In all candor, Mr. Chairman, after so many years of frustration -- the lack of a single, even token let-up in the persecution of Rumania's national minorities -- I and my colleagues no longer have credible answers to these questions.

Another constituency, about which I can also testify from first-hand experience, is the close to two million U.S. citizens of Hungarian origin, for whom the continued survival of their brethren in Rumania is a question of burning concern. How fair is it to them to continue a policy, carried out in their name as well, of favoring a regime bent on wiping out the very culture they so dearly cherish?

To us, as U.S. citizens, the sad and repugnant feature of this story, Mr. Chairman is that it appears to have been staged, once again, with the active cooperation, and quite possibly, at the instigation of our own State Department.

Otherwise, what business did Counselor Derwinski have in Bucharest to suddenly travel there just three weeks prior to the deadline for recommending MFN renewal? Was it not to warn his old buddy President Ceausescu that the heat is on, time's up and he better come through. A thousand or so emigration cases would do just fine, thank you, especially if he could see his way clear and throw in a religious activist or two. Really, it's not the way we in the State Department prefer to do business, but this time some people in Congress have really stirred things up, and we have to find something to control the damage.

U.S. collusion with a scheming and sinister dictator, Mr. Chairman, bartering in human flesh, a cheap deal here, a quick fix there -- is this what the policy of disassociating ourselves from repressive regimes, and taking a firm stand on human rights, amounts to? Is this what was meant to be the fulfillment of the noble preamble to the Jackson-Vanik Amendment: "To assure the continued dedication of the United States to fundamental human rights . . ." ? I hardly believe so.

Mr. Chairman, there is an added feature to Rumania's manipulation of the MFN renewal process which makes it particularly offensive to those of us concerned over the fate of that country's national minorities. Quite simply, it is that this process, over a ten year period, has failed to produce even the token gestures -- no matter how minimal or contrived -- which have been extracted in the areas of religious liberties and freedom to emigrate. Instead of instituting the slightest improvement, in recent years the Ceausescu regime has felt free to sharply intensify the campaign to denationalize and forcibly assimilate the country's ethnic population. Yet, while clearly increasing the pressure -- erupting ever more frequently into outright physical terror and documented cases of killings by the secret police -- the regime has also chosen the tactic of denying, unequivocably and before every forum, that a minority problem even exists.

Again, the sad and repugnant feature of this tactic is that it appears to have worked effectively to silence even expressions of concern over the issue by the State Department and this Administration. The selective disregard of this particular issue is well illustrated by the very document which this Subcommittee is called upon to examine: the President's recommendation to continue trade waiver authority for another twelve months. While devoting one of its four pages to the question of religious freedoms and another half page to emigration, the document nowhere so much as mentions the drastic measures taken against Rumania's national minorities -- a matter which affects more than three million inhabitants of that country.

Is it small wonder, given such silence and acquiescence on the part of our own government, that the Ceausescu regime feels emboldened to carry out such brutalities as, for example, the surreptitious hanging, this January, of the highly popular Hungarian actor Árpád Visky.

Thankfully, another myth propounded by the Rumanian government -- its supposedly independent foreign policy -- has begun to wear thin, even in the eyes of a once enthusiastic State Department. Clearly, Rumania's distinction in Eastern Europe does not lie in its foreign policy. Its distinction lies in being the only country in the region which has never undergone a process of de-Stalinization. It is a full-fledged Stalinist dictatorship, with the added feature of a pervasive nepotism on the part of the ruling dictator.

The central concern of my organization, as I have indicated, is the plight of Rumania's oppressed national minorities, among them 2.5 million Hungarians (the largest national minority in Europe), about 350,000 Germans, and sizeable numbers of Serbs, Turks, Ukrainians, Jews, Greeks and others. A comparison made by Representative Charles Rangel several years ago, after he studied the situation of Hungarians in Rumania, is illuminating: The similarities between ethnic discrimination in Rumania and Apartheid in South Africa are striking. Differences exist in exactly how the government applies terror, but the system of invoking racial superiority to effect discrimination in South Africa closely parallels the system of invoking ethnic superiority for the same purpose in Rumania.

As a Stalinist dictatorship, the Rumanian government exercises total control over every facet of public and most aspects of private life. Until recently, however, Mr. Ceausescu seemed content to impose control over the minorities through methods short of overt physical violence. But during the last 3-4 years even this has changed. Since the late 1970's, as it became more and more apparent that the ultimate goal of the Ceausescu regime is the total elimination of minority cultures, determined leaders of the Hungarian minority began speaking out openly, both within the country and through the Western media. The official response, instead of instituting the moderate suggestions and long overdue reforms, was to impose still harsher measures and an ever-increasing physical terror in the form of beatings, disappearances and murders by the police. The final portions of my written statement describe several of these cases.

Mr. Chairman, I and members of my organization have spent ten years now investigating these abuses, collecting the evidence and presenting it to the Congress and State Department. While I have found sympathy in Congress, our State Department seems too enamored of Mr. Ceausescu to concern itself with matters as trifling as the forced denationalization of one sixth of all Hungarians in the world. Indeed, the manner in which the State Department has obstinately ignored the pleas of close to two million Hungarian-Americans is nothing less than contemptuous.

Mr. Ceausescu, in the meantime, has little to be concerned about as regards our stand on human rights. He has learned long ago that it simply is not to be taken seriously. The more brutal his policies, it seems, the less chance that we will react in any meaningful fashion. Indeed, one conclusion I have drawn from ten years of human rights work is that often our Congress and State Department are more likely to act in the case of a relatively mild human rights violation than in the case of a serious one. Everyone loves to write letters to secure a visa for a family visit. Or, when I was initially denied a visa to attend the Budapest Cultural Forum last October -- an insignificant diplomatic foul-up -- it was the talk of the relevant bureaus of the State Department and the Helsinki Commission for days. But I have yet to see one-tenth of that interest expended on the case of Father Géza Pálfi, the Hungarian Catholic priest in Rumania who was beaten to death because of a Christmas Eve sermon. It was a well documented outrage, even according to our then-Ambassador to Rumania. Or how about the notorious case of the 20,000 Hungarian Bibles recycled into toilet paper in Rumania, another set of facts which has been thoroughly documented. The evidence was presented at a press conference and a Senate hearing on Capitol Hill. The result? Uneasy silence. Why this odd reaction? Very simple. These cases are so outrageous, so sacrilegious, so violative of every norm of human decency that a simple insert into the Congressional Record would no longer do the trick. Everyone realizes that to react would require that we do something serious. Now, there is no thought more frightening than that: doing something serious about a human rights violation. Everyone knows that we are all for human rights, but strictly on a cost-free, bargain basement basis. No pain, please. If someone talks to us about 20,000 Bibles turned into toilet paper, we will listen, we will look stunned, we will shift around uncomfortably in our seats -- and then let's change the subject.

Mr. Chairman, let me emphasize that our policy of indulging this primitive and brutal dictator serves no vital American interest and contributes nothing to a better future for the peoples of Eastern Europe. On the other hand, it undermines our credibility and reveals the hypocritical nature of our own human rights pronouncements. One last thought: The Ceausescu era is coming to an end. The tyrant is close to 70 years old and reportedly gravely ill. Change will probably follow his passing -- change probably for the better, because it is hard to see what could be worse for the inhabitants of Rumania. Why is it, Mr. Chairman, that we must always be identified with the old, the oppressive, the rotten, the corrupt? Why can't we break now with this despicable tyrant and, when change comes, be identified with that change? Such an act would send a far more powerful message of hope to the peoples of Eastern Europe than all the contemptible kowtowing to Mr. Ceausescu over the past ten years lumped into one.

Thank you, Mr. Chairman.

Newest Official Anti-Minority Measures

The state of Rumania contains an immense minority population consisting of 2.5 million Hungarians, 350,000 Germans and a sizeable number of Ukranians, Jews, Serbs, Greeks, Turks and others. The Hungarians alone comprise the largest national minority in Europe. Most of these peoples live in Transylvania which is one of Europe's most significant multi-ethnic regions. Were enlightened 20th Century standards applied, Transylvania could be a model for the coexistence of diverse nationalities in an atmosphere of mutual tolerance and understanding. However, under the rule of Rumania's dictator Nicolae Ceausescu, nothing could be further from the truth.

For the past three decades, this enormous minority population has been the object of a carefully planned, systematic and aggressive campaign of forced assimilation — a campaign which amounts to cultural genocide. This outrage must be borne in addition to the usual intolerance and terror which affects the life of every citizen of a Communist state, regardless of ethnic origin.

During the 1980's, faced with popular discontent resulting from sharply deteriorating economic conditions, the Ceausescu regime has intensified the appeals to chauvinistic sentiment. Instead of instituting long overdue reforms, the government actively propounds the myth of Rumanian cultural superiority, hoping in this way to deflect criticism and salvage some measure of national cohesion. The precise details of this campaign have been presented by our organization in over 1,000 pages of printed testimony before various Congressional committees during the past ten years.

During the past twelve months, the relentless campaign by Rumanian authorities to force the assimilation of the 2.5 million Hungarians of Transylvania has noticeably intensified. Following the notorious model the Soviet Union created in devouring the Baltic countries, Rumania is pressing ahead with its campaign to destroy the educational, cultural and minority-language institutions of the ethnic Hungarian communities. It is undermining the little that remains of minority-language schooling, theaters and churches, and eliminating opportunities in publishing, radio, television and other areas of cultural expression; it is driving the ethnic intelligentsia and leaders into effective internal exile; it is engaging in unlawful population transfers, and is resorting to harassment of individuals and even to bloody violence.

Police-State Cruelty

The case of the prominent Transylvanian-Hungarian actor Árpád Visky typifies how state secret police ("Securitate") agents deal with dissidents. On several occasions, Visky had dared to comment in public on the arbitrary conduct of Rumanian state security personnel, as well as the general terror prevailing in Rumania. On January 5, 1986, Visky's body was found in a forest outside the town of Sfintul Gheorghe

(Sepsiszentgyörgy), where he had been hanged. The circumstances of his death are highly suspicious. According to sources in Sfintul Gheorghe, "Árpád Visky's body was found by the local police in a rarely-traveled, remote region of the forest, and, still more dubious, in the opinion of the medical examiner it was found minutes after the onset of death" (Hungarian Press of Transylvania (hereinafter "HPT") Release No. 4/1986). Earlier (as reported by our organization in Congressional testimony in 1983, 1984 and 1985), Visky had been tried by a military tribunal in a closed trial and sentenced to five years in prison on false charges of spreading "hostile propaganda." International protest freed him after eighteen months in prison, and before his death he spoke of plans to emigrate to Hungary (ibid.). Official efforts to explain Visky's death as a suicide have been rejected by all who knew the actor. A friend of his has released the transcript of his telephone conversation with Visky on the eve of the actor's death. "Those jerks," said Visky, referring to the secret police, "they're all over me. I can't even buy a pack of cigarettes without them. They pick fights with me . . . Those guys even said my days are numbered. Is this what we've come to? . . . They're there to provoke us . . . And if you react, they'll 'liquidate' you in an instant . . ." (HPT Release No. 11/1986)

Surely, a Congress and an Administration which purport to hold Rumania's human rights behavior as a major condition for extension of Most Favored Nation status should take vigorous steps to investigate this tragedy. How many more acts of barbaric killing, how many more secret police murders like that of the Hungarian Catholic priest Father Géza Pálfi in early 1984, are necessary to produce genuine concern, backed by a willingness to impose sanctions, by our government? Simple human decency, if not the enormous economic and political leverage the U.S. government bears over the tin-pot dictator Nicolae Ceausescu, would warrant a firm response. At the very least, our government should support and facilitate the demand made by scores of world-renowned writers who, upon hearing of this tragedy during the recent International PEN Congress held in New York, quickly signed a Declaration, which, while deploring the death of Arpad Visky and another helpless victim (the Rumanian engineer and poet Gheorghe Ursu), calls upon the Rumanian authorities "to allow an impartial, on-site inquiry into the causes of each death by an internationally recognized human rights group." For our government to do anything less, for it to remain disinterested and unmoved while continuing to blithely reward Rumania with trade and political favors, would amount to a mockery of the moral and democratic principles upon which our country was built.

The imperative to act is all the more pressing, since the above-reported cases are not isolated incidents, but part of a pattern of increasingly brazen and vicious behavior by Rumanian authorities. Father János Csilik, 29, is one of a number of Roman Catholic priests who have been terrorized recently. Between March and May 1985, he was interrogated repeatedly by Securitate agents in Oradea (Nagyvárad) and pressured to work as a police informer. When he refused to collaborate, he was "beaten with clubs" so severely that he was rendered "unable to use his hands for several weeks" ("Ethnic Hungarian Catholic Maltreated in Rumania," Associated Press, Vienna, August 28, 1985; "Rumanian Police Beat Priest, Catholic Agency Says," Reuter, Vienna, August 28, 1985; "Hungarian Priest in Rumania Mistreated," Süddeutsche Zeitung, Munich, August 30, 1985). After his case was reported in the West, other priests were rounded up in Oradea and ordered to write letters to Radio Free Europe and the Vatican, denying the facts in Rev. Csilik's case. When one of the ministers refused, "he was told that he would have his head smashed into pieces on the heating radiator if he continued to resist" (HPT Release No. 76/1985). The repression did not stop there. Father Csilik was suspended from his ministry after reports about his mistreatment reached the West, and was reassigned to an area where he would be isolated from his former church district. His punishment was meant to serve as an example for any of his colleagues with nonconformist ideas. (HPT Release No. 82/1985)

On July 28, 1985, György Barkó, another Hungarian actor from Sfintul Gheorghe, was beaten so badly by police that he suffered broken hands, several broken bones and a severe concussion, and lay for a week in a coma in a hospital (HPT Release No. 57/1985). Before letting him see a doctor, Barkó was forced to sign a false statement that "his injuries were the result of an accident and that he was grateful to the police for carrying him immediately to the hospital." Officials later cited the statement in rejecting requests for an investigation. (HPT Release No. 60/1985)

Since 1984, harassment of Hungarian actors in Sfintul Gheorghe has steadily increased. The latest victim is the son of the director of the "Hungarian" Theater in that town. Sándor Dali, Jr. was stopped on a street by two policemen, made to kneel down and then beaten at length with rubber truncheons. After falling to the ground, the policemen let their dog loose to attack him. (HPT Release No. 41/1986)

Béla Páll, a Hungarian mathematics teacher unjustly imprisoned since April 1983, has reportedly been driven insane while confined to the psychiatric ward of the political prison in Jilava, near Bucharest (HPT Release No. 75/1985). According to its annual report for 1985 (p. 281): "Amnesty International received allegations that Béla Páll was convicted because he had written a letter to Rumanian radio and television asking for more programs in Hungarian, and because in early 1983 he had attended the funeral of Gyula Illyés, a famous Hungarian poet who had protested just before his death at the plight of the Hungarian minority in Rumania." The organization also reported that it "sought further information about the charges against Béla Páll" -- apparently without success. Similarly, Amnesty International "continued to ask for details of the charges against two other ethnic Hungarians: László Buzás, an economist, and Ernő Borbély, a high school teacher, who were reportedly arrested in November 1982 (see Amnesty International Report 1984)" (ibid.).

Béla Páll has languished in prison, without valid cause, for 38 months now, László Buzás and Ernő Borbély for more than three and one-half years. Along with others, our organization has raised their cases at every conceivable forum, including six Congressional hearings during the past three years, the U.S.-Rumanian Human Rights Roundtable in Washington (February 27-29, 1984), the Ottawa Human Rights Experts' Meeting (May-June, 1985), the Budapest Cultural Forum (October-November, 1985), the Bern Human Contacts Experts' Meeting (April-May, 1986) and in countless other communications and discussions with State Department personnel. And the result of all this effort? Not so much as the courtesy of even a single reply by our "most favored" friends, the Rumanian regime. Clearly, the time has come for Congress to exert real pressure for answers.

Even ordinary people do not escape beatings and robbery at the hands of the secret police. In one particularly vicious incident last year, Zoltán Oláh, who legitimately had bought a kilogram of coffee in a dollar store on a money order from his U.S. relatives, was beaten to death over his purchase. The police claimed to suspect -- without ever presenting any proof -- that the coffee "may become the object of black marketeering." Eyewitnesses reported severe facial injuries to the victim, who was 55 years old. (HPT Release No. 71/1985)

According to corroborated reports, Rumania's secret police (the "Securitate") do not refrain even from openly looting the population. In the Moldavian town of Bacau (Bákó), for example, local police beat up Csángó-Hungarian women and confiscated their money and other belongings. There have even been cases of authorities mugging foreign visitors. (HPT Release No. 71/1985)

Highway robbery systematically perpetrated by authorities has been common against Csángó-Hungarians, who live in Moldavia, isolated from their ethnic brethren. Such activity has recently spread to the core area of Transylvania, especially around Cluj (Kolozsvár), where workers and students mustered to participate in the fall harvests have been stopped for identification checks and then stripped of all provisions. (HPT Release No. 83/1985)

Intimidation of Minority Intellectuals

In response to increased harassment of minorities by the authorities, a "citizens' defense" movement in Cluj (Kolozsvár) distributed several hundred letters containing information about human, civil and constitutional rights and the legal means of protest. The movement's leaders, József Felméri, Miklós Kulin and István Papp, were rounded up last July and interrogated and beaten for more than a week, "only as a warning" (HPT Release No. 50/1985; "Repression in Transylvania Worsens following Leafleteering," Die Presse, Vienna, July 19, 1985; "Members of Hungarian Minority Reported Detained in Rumania," Agence France Presse, Vienna, July 18, 1985).

Physical maltreatment is supplemented by other forms of harassment, particularly against intellectuals and their families. The relatives of Mrs. István Csibi have been held accountable by Ditrau (Ditró) police for the posthumous publication of her autobiography in Budapest last year. The book, which is an apolitical testament to ethnic Hungarian folk art and the predicament of Transylvanian peasantry, is regularly confiscated by Rumanian border guards. (HPT Release No. 56/1986)

In October 1985, searches took place at the homes of András Visky, a Satu Mare (Szatmárnémeti) engineer, poet Géza Szőcs, professor Éva Cs. Gyímesi and Zoltán Wrábel -- all three residents of Cluj (Kolozsvár). Manuscripts and letters were confiscated. These steps were apparently taken to prevent these people from sending memoranda to the Budapest Cultural Forum held last fall.

("Police Searches in Rumania," Agence France Presse, Vienna, Oct. 9, 1985; "Rumanian Secret Police Initiate Campaign of Intimidation in Transylvania before Opening Session of Budapest Cultural Forum," Agence France Presse, Budapest, Oct. 11, 1985; HPT Release No. 78/1985.)

Despite the harassment, Szőcs was able to send a letter to the Budapest conference (later quoted in a Wall Street Journal editorial, "Post-Summit Sentiments," dated November 27, 1985). On January 14 of this year, numerous intellectuals, including Szőcs and music teacher Marius Tabacu, were again interrogated in Cluj, in sessions lasting eight hours, this time to prevent the sending of a memorandum to the International PEN Congress in New York (HPT Release No. 3/1986). The Securitate subsequently informed Szőcs that politically and personally he was finished in Rumania and that "in the interest of his own safety he had best leave the country." (HPT Release No. 9/1986; "Reports Say Szőcs May Be Allowed to West," Agence France Presse, Vienna, February 20, 1986). At the same time, Szőcs, one of the most outstanding Transylvanian-Hungarian literary figures, has been prevented from leaving until he "reimburses" the state for the costs of his infant child's education through adulthood.

The increased circulation of Hungarian dissident material in Transylvania and the Banat in western Rumania has caused officials to begin enforcing a 1983 law requiring the registration of typewriters ("Rumania Puts Lock on Dissident Typewriters," The Times, London, February 4, 1986). A particularly bizarre display of official paranoia was the search held at the home of György Bözödi, a renowned Transylvanian-Hungarian sociographer and writer, for a book published before the second World War (HPT Release No. 87/1985). House searches are used not so much to seek "evidence" but to intimidate and humiliate. In early March in Tirgu Mures (Marosvásárhely), Dr. Pál Dóczi, a professor of medicine, and Dr. József Spillman, a medical historian — both of them ethnic Hungarian scientists with international reputations -- were subjected to intensive house searches. While nothing incriminating was found, by this act the authorities clearly signaled their intention to push the professors into early retirement or forced exile, in order to begin the process of terminating Hungarian-language instruction at the Institute of Medicine and Pharmacology in Tirgu Mures (Marosvásárhely). The government gave further evidence of this intention by ordering the elimination at the school, at considerable expense, of all visual aids bearing notations in Hungarian (HPT Release No.

12/1986; "Poverty Grows and Repression of Hungarian Minority Worsens in Rumania," Frankfurter Allgemeine Zeitung, April 26, 1986).

Disaffection with the regime has spread deep and wide in Rumania. István Hosszú, a Hungarian miner who took part in the 1977 mineworkers strike in the Jiu Valley, is one of those who no longer found it possible to continue accepting the systematic violation of his basic human rights. In a statement addressed to the U.S. Congress, Hosszú boldly protested the manifestations of state terror in Rumania and requested permission for himself, his wife and their three children to emigrate to the United States. Hosszú's statement contained a revealing look at the Rumanian government's brutal methods for intimidating strikers and subverting their demands: Reforms promised by high-ranking government spokesmen, and accepted by miners as the condition for calling off their strike in 1977, were later conveniently "forgotten." At the same time, two of the strike leaders (named by Hosszú) were murdered, and thousands of miners (including Hosszú) were forcibly resettled to remote areas. In his protest memorandum, Hosszú detailed additional grievances, including the corruption of trade unions for the political aims of the Rumanian Communist Party, and the pervasive intrusion of the political police into the everyday lives of Rumanian citizens. He concludes by calling upon the U.S. to openly express its concern for the defenseless national minorities. (HPT Release Nos. 14/1986 and 21/1986)

The fate of István Hosszú following the issuance of his protest memorandum is typical of the Rumanian authorities' reaction to legitimate criticism. Until his emigration this July, Hosszú was placed under house arrest, subjected to daily interrogations and told that charges would be brought against him -- wholly fabricated -- that he had tried to set fire to a hotel in the town of Szovata.

Coerced Population Transfers

The population of Cluj (Kolozs) County includes 350,000 Hungarians, but is allotted only 22 Hungarian doctors (HPT Release No. 95/1985). Yet, the noted Transylvanian-Hungarian poet Sándor Kányádi was summoned by the district attorney because he had submitted a petition against assigning Hungarian university graduates to work in remote regions of the country, far from their roots, when there is a shortage of such professionals in Hungarian-inhabited areas of Transylvania (HPT Release No. 77/1985). On December 20, 1985, Kányádi reportedly suffered a heart attack (HPT Release No. 103/1985).

In cases where Hungarian university graduates refuse distant employment assignments, they find themselves not only harassed but unable to find work doing even menial labor (HPT Release No. 72/1985). Meanwhile, new Rumanian settlements are being established in solidly Hungarian populated regions under various pretenses. In July 1985, for instance, the first Transylvanian youth work camp was opened in the County of Bihor (Bihar). Construction of permanent residences began almost immediately for the approximately 1,500 ethnic Rumanian youth who had been resettled there from regions outside Transylvania. (HPT Release No. 63/1985)

Religious Persecution

Minority churches, long the guardians of cultural tradition, are a special government target, as illustrated by the now-infamous incident of 20,000 Bibles intended for Transylvania's Protestant Hungarian minority, which were instead distributed to them in the form of toilet paper (as reported in The Wall Street Journal, June 14, 1985; Time, June 17, 1985; and other major newspapers throughout the world). An ongoing, more underhanded tactic by the authorities is to systematically confiscate church documents, among them pre-1920 birth registers, removing irreplaceable evidence of minority population history. The government decree ordering the confiscations was protested by the late Dr. István Juhász, professor of theology, as "offending the right of the Hungarians of Transylvania and of the Reformed Church to a past, even though the right to a past is an integral part of human rights in general" (HPT Release No. 54/1985).

The number of Hungarian ministers is being reduced, and church bodies such as the synod are used, through the cooperation of state-appointed church officials, as implements of pressure against minorities (HPT Release No. 51/1985). "The hierarchy of the Transylvanian Hungarian Reformed Church is constrained to take retaliatory measures against those ministers who do not conform to government policies" (Antoine de Gerando, "Minorities in Rumania: A Worsening Situation," Reforme, Paris, May 4, 1985). To effect the curbs, authorities have cut the number of Hungarian Protestant ministers being trained. The theological seminary had six freshmen in 1985, in contrast to 40-50 in earlier years, even though there are currently at least 100 ministerial vacancies in the Hungarian Reformed Church parishes alone. (HPT Release No. 73/1985)

Bucharest has effectively manipulated organizations of the Hungarian Reformed Church in Transylvania by promoting the government's own trusted men. For example, Dániel Nagy who in the 1970s "proved himself" by willingly replacing a dissident minister who had been dismissed, was elected as dean at Odorheiu Secuiesc (Székelyudvarhely) with the aid of 20 forged ballots. Although appeals in the Spring of 1985 led to the invalidation of the election, Nagy nevertheless continues to function as dean. (HPT Release Nos. 51/1985 and 96/1985)

Those who cannot be coopted are demoted. The Rev. László Tőkés, for instance, wrote a letter protesting certain discriminatory actions against his church and was dismissed from his ministry. Bishop Gyula Nagy threatened to hand him over to the police if he did not stay away from the Kolozsvár Theological Seminary. Official retaliation for the protest by the assistant clergyman at Dej (Dés) also included restrictions on sermons, the banning of a theological student reunion, and disciplinary excesses. László Tőkés has been out of work for more than two years, despite strong support for him by the members of his church. Recent promises for reassignment to Timisoara (Temesvár) in Transylvania are contradicted by the assignment of Tőkés's wife, a teacher, to a remote region of Rumania. (HPT Release Nos. 59/1985 and 20/1986)

The Rev. István Tőkés, László's father and a former professor of theology, deputy bishop of the Cluj (Kolozs) County bishopric and editor-in-chief of its official publication, was forced into early retirement by Bishop Gyula Nagy (who, incidentally, is ten years older than Rev. Tőkés). In an April 4, 1986 letter, the elder Tőkés summarized his son's and his own cases and the autocratic rule characterized by the above-mentioned examples that is seriously threatening the very life of the Hungarian Reformed Church. (HPT Release No. 20/1986)

The Rumanian government, in an unnecessarily vengeful act, prevented the Hungarian Catholic Bishop Antal Jakab, who ecclesiastically represents a million Hungarians, from participating in the Second Special Synod in the Vatican (HPT Release No. 92/1985). The action was part of an ongoing campaign to eliminate the Catholic diocese of Alba Iulia (Gyulafenérvár) and join it to the Bucharest diocese. As a result, the 150,000-strong Hungarian Csángó community would lose an important source of support. (HPT Release No. 58/ 985)

A more recent incident occurred on Pentacost, May 19, 1986, when police surrounded the Roman Catholic church in Bacau (Bákó). All Hungarian-language mass and hymn books where confiscated from the Csángó worshipers. The priest, after protesting the incident, was beaten by the police. (HPT Release No. 34/1986)

The Csángós are a particularly resilient and spirited Hungarian ethnic community. They and people traveling to their isolated region are continually harassed, and their region in Moldavia has been sealed off by the police (HPT Release Nos. 67/1985 and 83/1985). The Csángós are depicted in government propaganda -- in what would be a comical effort, were it not for its Machiavellian intent — as being Rumanians despite the fact that their language is Hungarian and they consider themselves Hungarians (HPT Release No. 58/1985).

War on the Hungarian Language

Rumanian officials believe that if the use of Hungarian were stopped, the minority-rights problem would fade into history. Thus, Rumanian is promoted at the expense of minority languages. Hungarian-language radio, for instance, in 1981 aired 6-1/2 hours a day, but in 1985 just 1/4 hour. Hungarian-language television in 1981 was on the air 2.7 hours; in 1985, zero (HPT Release No. 62/1985). Punishment of six months' forced labor is prescribed for watching television broadcasts from neighboring Hungary or for distributing written transcripts of such broadcasts. "Chauvinistic attitude" and "promotion of chauvinism" are commonly the charges. (HPT Release No. 64/1985)

Measures in the second half of 1985 were issued to prohibit the use of Hungarian, German or Serbian in open forums, such as public gatherings, regardless of whether Rumanians are present. Teachers of any age in Hungarian primary schools must enroll in Rumanian language courses. (HPT Release No. 68/1985)

In their war on Hungarian culture, authorities in Cluj (Kolozsvár) have attempted to intimidate the Hungarian theater's actors by charging them with nationalism, simply because they performed in Hungarian. In Spring 1985, not one Hungarian play was performed at the Hungarian Theater in Cluj (Kolozsvár). (HPT Release No. 65/1985) This summer, officials announced that in the 1986/87 season a Rumanian section will be added to the Hungarian Theater in Sfintul Gheorghe (Sepsiszentgyörgy) (HPT Release No. 61/1986).

The campaign extends to publications and publishers as well. In its most recent measure, the government abolished the Hungarian cultural periodical Művelődés (HPT Release Nos. 81/1985 and 101/1985). As with a similar German-language cultural publication, Művelődés's articles now appear as supplements to the Rumanian-language publication Cintarea Romaniei ("We Praise Rumania") ("Nation and Culture: Rumanianized," Die Welt, Munich, February 27, 1986). In another move, the Rumanian publishing house Facla in Timisoara (Temesvár) has been closed to Hungarian works (HPT Release No. 91/1985).

Restrictions on Human Contacts

The Rumanian government is not stopping at the border in its battle against Hungarians. According to well-founded sources, during the first seven months of 1985 more than 3,000 citizens of Hungary were refused permission by Rumanian authorities to visit relatives in Transylvania ("Visiting Hungarians Refused Entry," Agence France Presse, Vienna, August 1, 1985; Robert Stamm, "Increasing Pressure on Minorities in Rumania: Travel Impeded for Hungarians," Neue Zürcher Zeitung, Zurich, August 19, 1985).

Increased delays and systematic harassment of Hungarians seeking to cross the border into Rumania have prompted even the official Hungarian press to respond ("Hungary Publicly Airs Complaints about Rumania," Reuter, Vienna, July 26, 1985; Carl Gustaf Ströhm, "Hungary Deplores Border Restrictions," Die Welt, Munich, July 1985). Nevertheless, an internal directive, effective January 1, 1986, prohibits all individual tourist travel between Hungary and Rumania and is presently being implemented by Rumanian border guards. Under the new regulation, only organized bus tours are permitted and only on a strictly reciprocal basis (Rumanian authorities allow only as many Hungarians into the country as the number, authorized by them, to travel to Hungary). (HPT Release No. 90/1985)

The Transylvanian-Hungarian playwright András Sütő, an intellectual held in the highest esteem by Hungarians throughout the world, was prevented from going to Hungary to attend the premier of his newest play scheduled for last December 20. Under an obscure copyright regulation, Bucharest tried to persuade Budapest to cancel, but only managed to delay, the opening night performance. ("Freedom of Art in Rumania," Die Presse, Vienna, December 18, 1985; HPT Release Nos. 84/1985 and 98/1985)

In 1974, Decree/Law 225 imposed a total ban, which continues to the present day, on the accomodation of all foreign visitors, except immediate relatives, in private homes. Decree/Law 408 issued in January 1986, however, prohibits even the holding of conversations with foreign visitors in private homes. Instead, meetings must be held at locations designated by State Security officials, permission must be requested in advance, and a detailed report of the conversation must be submitted to the authorities. (HPT Release No. 10/1986) Those foreign visitors not easily deterred must take their chances, it seems, with Interior Ministry agents who provoke incidents by molesting women and damaging private autos, and who, according to one account from Tirgu Mures (Marosvásárhely), used a car to chase and run down a tourist (HPT Release No. 66/1985).

Western visitors are increasingly put out to mistreatment by Rumanian authorities, as demonstrated by the case of a visiting Canadian citizen, Gábor Boros, last summer. For the simple act of taking photographs of people leaving a Hungarian church service, Mr. Boros "was beaten and detained for a day by Rumanian militia . . . a militia member choked him, threw his arm against a wall, and searched him for no apparent reason." After confiscating his passport, driver's license and other identification, police questioned him for several hours, and he was only allowed to leave the next day. (Daniel Kucharsky, "Teacher Says Militia Beat Him during Holiday in Transylvania," The Gazette, Montreal, August 21, 1985)

Schools as the Main Target

Most pernicious in Bucharest's assimilation campaign are the measures against minority-language schooling in the Hungarian regions ("Repression of Hungarians in Rumania," Neue Zürcher Zeitung, Zurich, September 10, 1985). Even at the predominantly Hungarian University of Cluj (Kolozsvár) and at the Institute of Medical Science and Pharmacology in Tirgu Mures (Marosvasarhely), minority-language admission tests were recently eliminated and they are now administered in Rumanian only. After 200 protest petitions were presented, the old requirement was replaced with a new one of "political reliability." As a result, those who exhibit "nationalism" by requesting the admission test in Hungarian are ousted at the "pre-selection" stage. (HPT Release No. 49/1985)

Two years ago the Ceausescu regime openly proclaimed its intention to eliminate Hungarian-language instruction. Last year in Kovászna and Hargita Counties, which are 85% to 90% Hungarian-inhabited, all remaining Hungarian schools were closed. The method being applied there, and used with dismaying success elsewhere, is to introduce more and more Rumanian classes each year until Hungarian is entirely squeezed out. According to a reliable account, entire classes of Rumanian children have been transferred to the above-mentioned areas from Neamt County, outside Transylvania. (HPT Release No. 69/1985)

Minority educational opportunities are obstructed at every corner. Authorities, for example, cut Hungarian day school enrollment in Satu Mare (Szatmár) and instead increased numbers in the inferior evening classes. The Hungarian-language mathematics/physics class was transferred to a Rumanian high school without explanation. Officials at the local level as well as in Bucharest ignored or dismissed the parents' protests with threats of retaliation. (HPT Release Nos. 52/1985 and 69/1985) In Oradea (Nagyvárad), only four Hungarian classes were authorized (a decrease from six the previous year) at High School No. 5 for the 1985/86 school year. In a typically underhanded ploy, city education officials had encouraged Hungarian students to change their enrollment from High School No. 5 to High School No. 1 — where, however, the three "planned" Hungarian classes were subsequently canceled. (HPT Release No. 53/1985)

In 1985 a complete phaseout of the Hungarian segment of bilingual education was ordered in Maramures (Máramaros) County. The deputy superintendent of schools declared a "death sentence" on Hungarian instruction and ominously warned that protests would only serve to make a pedagogical matter into a matter for the police. Bihor (Bihar) County went so far as to order that even in Hungarian-language classes the study hour, meetings of the Communist youth organization and all other extracurricular activities must take place in Rumanian only. (HPT Release Nos. 55/1985 and 79/1985)

According to a central directive, major subjects such as politics, ethics and civics must be taught in Rumanian even in Hungarian-language classrooms. Posters in schools can be worded only in Rumanian, and pictures can depict only Rumanian historical personalities. Teachers' lesson plans and reports must be written in Rumanian. (HPT Release No. 102/1985)

Another government tactic is to not employ Hungarian teachers in Hungarian areas, even if Hungarian is their primary field, but instead to send them to teach their secondary field in remote regions of the country (HPT Release No. 102/1985). At the same time, Rumanian teachers are brought in to fill the vacancies in Hungarian areas. Young Rumanian teachers themselves are often surprised by such assignments (HPT Release No. 70/1985). For example, in the predominantly Hungarian Covasna (Kovászna) County, 102 new Rumanian and seven new Hungarian teachers were appointed; in Harghita (Hargita) County the ratio was 115 to 8, and in Odorheiu Secuiesc (Székelyudvarhely), 25 to 2 (HPT Release No. 102/1985).

Increasingly, Hungarian-speaking pupils are assigned to Rumanian-language classes, while Rumanian-speaking teachers take over Hungarian classes. In Odorheiu Secuiesc (Székelyudvarhely), where classrooms are filled by Hungarian students, Rumanian teachers teach all subjects except Hungarian. In Hargita County, in the purely Hungarian village of Ditrau (Ditró) a new 11th grade class held in Hungarian was permitted only after a parallel Rumanian-language class was formed. The latter is filled mostly by Hungarian students, plus the one or two children of Rumanian functionaries assigned to the village. (ibid.)

Over the past two years, the last three purely Hungarian high schools in Cluj (Kolozsvár) were transformed, one by one, into mixed-language schools. Beginning at the elementary level, Hungarian children must study Rumanian history without receiving any information regarding Hungarian culture and civilization, which have existed in Transylvania for a thousand years. (HPT Release No. 88/1985)

At the University of Cluj (Kolozsvár), the traditional practice in teacher education of pairing modern languages such as English and French with Hungarian was ended. Applicants for such studies were automatically assigned to study Hungarian/Rumanian. The aim is to settle such graduates in Rumanian areas, and at the same time to deprive the Hungarian minority of its intellectuals. (HPT Release No. 85/1985)

Programs for Hungarians are often simply terminated. Last Fall, for example, Hungarian classes at the Cluj (Kolozsvár) Hungarian Music Academy were eliminated at the lower level. The classes had been the only completely Hungarian music classes in the country, and their elimination signals the end, within three years, of Hungarian music instruction at the Academy. (HPT Release No. 84/1985) Similarly, at the Groza Lyceum, the Hungarian textile industry class was simply discontinued (HPT Release No. 102/1985). According to recent reports, this trend is expected to continue with the enactment and implementation of a new law on education which will limit any teaching in the minority languages to the elementary school level. In higher grades, language and literature in minority tongues will be allowed only by special permission of the Ministry of Education. As the first step toward implementation of the new law, Hungarian secondary school textbooks reportedly have already been removed from print. (HPT Release No. 7/1986)

The anti-Hungarian drive is also noticeable at leadership levels. The number of Hungarian education administrators is being reduced, both in public schools and adult education, and is replaced by Rumanian ones. For example, in the 80% Hungarian-populated Hargita County nearly all education leaders were replaced by Rumanians. In the 95% Hungarian-populated Odorheiu Secuiesc (Székelyudvarhely), the knowledgeable and enthusiastic Gyula Szép was replaced as head of the town's cultural center by a Rumanian national. For the Hungarian minority, even "numerus clausus" is of the past, and "numerus nullus" is the grim reality (HPT Release No. 102/1985).

Conclusion

Though seemingly random, the various acts described above (and many more which could be cited) are linked together by a common element: the single-minded, driving purpose of the Ceausescu regime to expunge Rumania of the culture, history, traditions and religious life of national minorities. Though victimized for decades by discriminatory government policies, minority citizens today are the focus of persecution, and an atmosphere of sheer physical terror, to an unprecedented extent -- and the regime shows no signs of even acknowledging, much less letting up the pressure. The United States is a country which prides itself in respect for the value of cultural diversity. We must no longer allow ourselves to be seen as legitimizing the repugnant, assimilationist policies of the Rumanian government. Suspension or termination of Rumania's most favored nation status would accomplish exactly that purpose.

STATEMENT OF Z. MICHAEL SZAZ, PH.D., SECRETARY OF INTERNATIONAL RELATIONS, AMERICAN HUNGARIAN FEDERATION, WASHINGTON, DC

Dr. SZAZ. Thank you, Mr. Chairman. I will not read my statement. I will ask to have it read into the record. I represent the American Hungarian Federation, and I have been to almost every hearing since 1976 on MFN. I also visited Romania in 1976 at the invitation of Ambassador Harry Barnes, and of the Romanian Foreign Ministry, and again in 1978 at the invitation of the Romanian Foreign Ministry. So, I am not just talking about things I have read; I have been on the same trip as Mr. Robertson, and we have struggled, as all organizations have struggled, with the problem of whether suspension or elimination of MFN would be a plus or a minus because this is a very serious question.

Two years ago we had come about to the conclusion that, despite the arguments for retaining the MFN, it represents still a minus. Let me give you just a couple of arguments.

Mr. Chafee asked the question: Would it help those people in Romania? I think nothing. The situation of the national minorities is worse than in 1976, and if Ambassador Ridgway says that 154,000 people left Romania since the MFN, over 100,000 of these people are ethnic Germans who are being bought by the Government of the Federal Republic of Germany by large loans and large investments in the Romanian economy. They would have gotten out whether there was any American MFN or not. The second question is: What do we accomplish by continuing this benefit? I don't think the situation would change much, for the better or for the worse. It would basically remain as it is.

But what has been done in the case of Poland? What are we doing in the case of sanctions against South Africa? We are making a statement. On July 16, 1985, in the New York Times, Henry Kamm quoted a Romanian official, that they can afford the loss of the $200 or $300 that it would mean to them, but to them, the MFN is important as a symbol of political approval by the United States of Romania's policies.

And I don't think we should grant this to them. Thank you.

Senator DANFORTH. Thank you. Rabbi Birnbaum?

[The prepared written statement of Dr. Szaz follows:]

TESTIMONY

BEFORE

THE SUBCOMMITTEE ON INTERNATIONAL TRADE OF THE
FINANCE COMMITTEE OF THE U.S. SENATE

ON

THE MOST FAVORED NATIONS STATUS OF THE SOCIALIST REPUBLIC OF ROMANIA

BY

Z. MICHAEL SZAZ, Ph.D.
SECRETARY OF INTERNATIONAL RELATIONS
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AND

EXECUTIVE VICE PRESIDENT
AMERICAN FOREIGN POLICY
INSTITUTE

WASHINGTON
DISTRICT OF COLUMBIA
1986

Mr. Chairman! Thank you for providing me with the opportunity of testifying against the extension of the most favored nation status of the Socialist Republic of Romania, although the status will be automatically extend the coming Sunday for FY 1987.

The annual Hearing on the Romanian MFN accomplish at least one purpose, it raises Congressional and Senatorial awareness of the atrocious human rights problems in Ceausescu's Romania and enable our diplomats, if they so desire, to seek some form of relief.

The recent outcry of the Neoprotestant denominations against the human rights abuses against their faithful in Romania had at least a small impact. Some of the pastors were released after kangoroo court convictions in the past, and perhaps a few more churches will be saved from bulldozing. The eternal complaint of the State Department about increased emigration is also listened to to some extent by the Romanian government. Yet the increased number of exit passports granted last year was used to embarrass the United States by providing those Romanian citizens with exit passports who had no relatives or sponsors in the United States while withholding exit passports in hundreds of family reunification cases.

After eleven years of MFN, the whole process has become a well-drilled minuet, with the Romanian government committing atrocious human rights abuses, and then using a small relief of remedying the abuses as the evidence for its good will so that the MFN status may be renewed. It is really strange that the United States Senate and House have gone along with the charade for over a decade.

Yet the situation of the 2.5 million Hungarians, 330,000 Germans and other national minorities is not remedied at all. There is no more higher education in the Hungarian language, half of the arrested and those whose houses were searched between September 1, 1984 and August 31, 1985 were citizens of national minority origin, according to reports smuggled out from Romania to us, and opportunities for Hungarian culture are further curtailed. One case in point was the merger of the only Hungarian cultural monthly publication *Művelődés* (Cultural Education) with its Romanian counterpart, which now carries a 6 page Hungarian appendix at its end. Those who do not become informers of the secret police are transferred into parts outside of Transylvania. 56 Hungarian professionals at Miercurea Ciuc (Csikszereda) were requested to become informers and are now being transferred. as they refused to become tools of the secret police.

Atrocities against members of the Hungarian ethnic groups multiply. Árpád Visky, releasedfter 18 months under international pressure in the fall of 1984 ha been found hanged by the secret police in a remote forest near Sfintu Gheorghe in January 1986 ten minutes after his suicide. Obviously he was murdered by the police which covered up the murder as suicide. Professor Bela Pall, according to reports from last winter was driven insane by drug treatments in a psychiatric ward . His crime: having attended with a legal passport the funeral of the world-renowned Hungarian writer, Gyula Illyés in Budapest. Mssrs. Erno Borbély and Lászlo' Buzas are still in the Jilava prison for unknown military court charges four years after their conviction. Disappearances are still occurring and now the last of the editor of the *Ellenpontok* (Counterpoints) the often beaten and harrassed writer-poet Gez, Szocs from Cluj-Napoca (Kolozsvár) is leaving Romania for forced exile to West Germany on August 22, 1986.

In the meantime, the regime is opening the floodgates to national hatred in a province where understanding and not conflict should be sought between two nationalities who remember mostly only the negative about each other. The military retaliations and some local atrocities by the Hungarians in 1940 is embellished into a real horror story and published as "documents."

President Ceausescu is looking for a scapegoat since the 1982 collapse of its economy and for the draconic regulations that had followed depriving the population from most of its food and energy needs. He is also trying to divide the intellectual and professional opposition where Romanians and Hungarians equally denounce the human rights abuses of the Communist government. And if a Romanian intellectual, like Theodore Dorian sides with Hungarian complaints he is arrested, convicted and then released under international pressure into forced exile.

These are all events and occurences during the past twelve months, although they repeat the former abuses in the fields of education, culture and individual rights and stirring of national hatred in Transylvania.

A footnote should be added. According to the Helsinki Watch Report on Romania, in the future the Hungarian-speaking students at the only university which is supposed to be a merged Romanian-Hungarian university, will be restricted to five per cent. In 1985 they still comprised more than 25 per cent of the student body. Mind you they would not be taught in Hungarian but in Romanian, but they are still not to be admitted.

Mr. Chairman! It is too late for this year, but in the next twelve months I hope that this Subcommittee will put pressure on the State Department to discuss forcefully the abuses against the national minorities and will take appropriate action if no relief is forthcoming from the Ceausescu regime about the human, cultural and national self-determination rights of the 2.5 million Hungarians of Transylvania.

STATEMENT OF RABBI JACOB BIRNBAUM, NATIONAL DIRECTOR, THE CENTER FOR RUSSIAN AND EAST EUROPEAN JEWRY, NEW YORK, NY

Rabbi BIRNBAUM. Thank you, Mr. Chairman. The year 1986 marks 40 years since I began to be involved in East European matters. During 1946 I commenced work with the survivors of Nazi concentration camps and Soviet labor camps. I have been authorized to speak here for three national Jewish organizations: my own—we have constituents throughout the country—and I have three offices; second, the East European Commission of Rabbinical Assembly, the largest of its kind in America, representing over 1 million Jews; third, the Union of Councils of Soviet Jews, which has 39 or 40 affiliates throughout the country.

I can give 12 instances of times when massive congressional pressures have forced the Romanians to cave in, to make concessions. They are listed in my written testimony, and I am prepared to discuss them after my remarks are completed. The key seems to me to be in all year-round monitoring, as the late Senator Henry Jackson said in his last statement before this committee.

In this respect, I would like to draw the attention of the committee again to 2 letters from 11 Senators to this committee, Senators who are members of the Finance Committee, members of the Foreign Relations Committee and of the Helsinki Commission, in which they suggested that a team of representatives from these three committees be appointed to meet with Romanian officials every 2 months and to discuss all the difficult matters with them, so as to give the Romanians a full sense that they are being monitored all year round by the Congress.

Finally, let me say that we have to raise the question as to what is going to happen after Ceausescu. In the few seconds remaining to me, I have to raise the question of what might happen to the Jewish community which has suffered so very much in this century. Romania, of course, is well known as an antisemetic country; and I think we can speculate that the Russians may tighten their hold, there may be chaos, dangerous to the Jews.

I would plead that we make much greater efforts to try to get the rest of the Romanian Jewish community evacuated from that country in the next few years, and I believe it can be done.

Senator DANFORTH. Thank you very much.

[The prepared written statement of Rabbi Birnbaum follows:]

SUMMARY OF STATEMENT BY JACOB BIRNBAUM, NATIONAL COORDINATOR, CENTER FOR RUSSIAN AND EAST EUROPEAN JEWRY, BEFORE THE INTERNATIONAL TRADE SUBCOMMITTEE OF THE SENATE FINANCE COMMITTEE, FRIDAY, AUGUST 1, 1986

During the first six months of 1986, only 483 Romanian Jews reached Israel, compared with 1026 for the same period in 1984. While the Romanian authorities were struggling to obtain Most-Favored-Nation status, they permitted the exit of more than 4000 Jews a year. Once they had it, the annual rate soon dropped to a thousand. When Bucharest needed to placate Washington after the education tax episode, the rate reached almost 2000 in 1984. Though 1991 Romanian Jews were eligible to leave in 1985, only 1331 actually did so.

It is clear that despite intense state hostility to emigration, some 2000 Jews are courageous enough to have registered to leave any year. We have little doubt that annual Jewish emigration could easily be raised to 4-5000, as before MFN. Our Statement lists numerous instances showing carefully calculated up and down manipulation of all emigration rates, in accordance with Bucharest's convenience.

Another factor underlines the importance of accelerating the process of evacuating Romanian Jewry. With the likelihood of an ailing, aging Ceausescu losing effective power in the not too distant future, the basically insecure Jewish position in a demonstrably anti-semitic society should arouse our concern.

The key lies in Congressional action, especially on the part of the trade committees. Our Statement lists 12 instances illustrating the Romanian concessions to firm Washington action, which mostly originates in Congress. Without persistence all year, Congressional monitoring, visits to Bucharest by political officials and Jewish dignitaries do not make much sense.

We urge the establishment of a Congressional monitoring unit as recently suggested in a letter to this Committee by Senators Armstrong, D'Amato, Durenberger, Grassley, Humphrey, McLure, Nickles, Pressler, Symms, Tribble and Wallop.

FULL STATEMENT BY JACOB BIRNBAUM

This is the twelfth year that the Committee is considering the President's recommendation to extend the waiver of the "freedom of emigration" provision (Section 402) of the 1974 Trade Act to Romania and others.

Romanian Jewish Emigration Calculatedly Manipulated According to Bucharest's Convenience, Not Jewish Needs

Before discussing the importance of Congressional leverage, let us briefly review current Jewish emigration from Romania. During the first six months of 1986, only 483 Jews reached Israel, compared with 1026 for the same period in 1984. With only 78 new approvals in June, the outlook for the rest of the year is hardly promising, unless this Committee and the Congress, together with the Administration, sends the right signals to Bucharest.

Despite the numerous Romanian assurances to US Administration and Congressional representatives and to US Jewish leaders during the past 15 years, the Jewish emigration situation remains uncertain and disturbing. In the years just before Romania received MFN trading status, the annual Jewish outflow was 3-4000. Once Bucharest obtained MFN however, the rates halved to some 2000 in 1975/6, and then half again to approximately 1000 in the succeeding years.

With Bucharest's need to prove its image after the education tax episode, emigration suddenly soared to almost 2000 in 1984. By 1985, with the pressure off, the figure tumbled to 1332, though 1991 Jews survived the bureaucratic maze to remain eligible to emigrate. We shall presently give other instances indicating how calculatedly Bucharest manipulates emigration rates up and down.

Jewish Emigration Decline Not Due to Aging of Romanian Jewry

We have the curious situation of a steady rise in general Romanian emigration to the US and West Germany during the past decade, while that to Israel has fallen. The Romanian explanation, too often accepted in Washington, is that Romanian Jews do not wish to leave on account of their age. We know otherwise. Despite intense state hostility to emigration, as many as 1991 Romanian Jews had approval to leave during 1985, although only 1332 were able to do so. We know that there are many more Jews in Romania than the 25,000 recorded by the offices of the Jewish community. (Not long ago, a high Romanian official in New York casually mentioned 40,000.) We have calculated that approximately half of the Romanian Jews arriving in Israel in recent years had not registered themselves with the Jewish community offices. Romanian Jewry is a source of dollars to Bucharest because of the support of the international Jewish relief organizations.

On the other hand, it is most important to Bucharest to please Washington and Bonn because of MFN benefits and substantial credit and investment guarantees.

Immediate Annual Jewish Emigration Potential is 2000, Rising to 5000

The 1991 eligible to leave in 1985, despite all the difficulties, is a substantial number, and suggests a much larger potential, quickly accelerating to the rates of the early 1970s.

Evacuate Romanian Jews Before Ceausescu Goes

There is another factor pointing to the need to accelerate the process of emigration. An ailing, aging Ceausescu is approaching his seventh decade. No one can foretell what will happen after he effectively loses power, but we should be concerned about the effects on a Jewish community within a demonstrably anti-semitic society during a post-Ceausescu chaos. We should also consider that the Soviets may greatly strengthen their hold on Bucharest. We should therefore be making serious efforts to evacuate the bulk of Romanian Jews in the next few years.

12 Romanian Responses to American Firmness

We have often felt that neither the Administration nor Congress makes full use of the leverage inherent in the Jackson-Vanik Amendment. If they did so, we would not be faced so frequently with the annual MFN dilemma for Romania. Here are a dozen instances where Bucharest felt obliged to go beyond the usual facile assurances and take us seriously:

1. In the early 1970s, Bucharest saw Israel as a useful channel to Washington via American Jewry, and the annual rate of Jewish emigration was 3-4000. In 1975, Rabbi Israel Miller, at the initial hearings of this Committee, complained that 10,000, not 4000, had been promised for 1974. Once MFN was in place, the annual rate quickly tumbled to about 1000.

2. General Romanian migration to the US remained moderate until 1980, when it almost doubled from 1552 to 2886 as a result of our massive Congressional campaign of 1979.

3. In July 1979, Romanian ambassador Bogdan created a diversion by "negotiating" a "heads of agreement", a "memorandum of understanding" with some American Jews. Though the Romanians never signed this document, much was made of it in Washington, and our campaign lost its momentum.

Unfortunately, the appeasing mode of American Jewish leadership resulted in a new low of arrivals in Israel in 1979, only 988. Mr. A. Moses' trip to Bucharest in 1980 did not help; only 1043 arrived in Israel that year, and only 977 in 1981. By contrast, the significance of Congressional pressures had become apparent to Bucharest in 1979, and the doubling of the 1979 figures of general Romanian migration to the US in 1980 resulted.

4. The Romanian flow to West Germany rose from almost 8000 in 1979 to almost 13,000 in 1980.

5. 1982 saw our most concentrated campaign ever in Washington. I established an ad hoc Committee for Human Rights in Romania, which brought together the emigrationists, evangelical activists, and the Transylvanian Hungarian groups. Our Congressional campaign impressed the White House, and the President issued his strongest statement to date in June 1982. I arranged intensive meetings with staff members of both Senate and House trade committees, who pressed the Romanians for written assurances on emigration procedures. For the first time, they realized they could not get by with the usual verbal assurances. Thus, Romanian ambassador Melitza promised to "consistently improve emigration procedures. . . to eliminate bureaucratic delays or obstacles". He further promised "to reduce the time period for processing emigration applications" and that applicants will "not be subjected to discrimination". This did result in some improvement, though emigration difficulties continued to abound.

6. A few weeks later, Ceausescu angrily instituted an onerous education tax. The reaction in Washington was such that, despite a few cases, it was never properly implemented, and following President Reagan's threat in March 1983, it was suspended. Secretary of State Shultz commented that he acquired new respect for the Jackson-Vanik Amendment.

7. After the education tax episode, Bucharest sought to placate Washington by a dramatic increase of general Romanian migration to the United States to 3499 in 1983 and 4545 in 1984.

8. The Romanian Jewish rate also rose to almost 2000 in 1984 for the same reason.

9. The general Romanian migration to West Germany rose to almost 15,000 in 1984.

Firm action by this Committee's former chairman Abraham Ribicoff led to important amnesties in 1978 and 1980 for former prisoners, resulting in their eligibility to emigrate.--

10. The 1978 amnesty for six such families waiting 10 years.

11. The 1980 amnesty for 18 such families waiting 20 years.

12. The 1983 amnesty for 4 such families waiting 30 years.

When a trade committee chairman shows that he means business, results follow quickly. For years, Senator Ribicoff had quietly accepted Romanian assurances, even in 1979, when one of the six persons amnestied the year before had been released. 1980 was his last year as chairman. He was angry, and dispatched a blunt letter on June 18, 1980 to the Romanian ambassador containing the names of 18 families comprising the most difficult cases supplied by me. The ambassador's first and very positive response was on June 30th and the second on July 14th, confirming the amnesty for the 18 in detail. On July 21st Ribicoff held his hearings.

This example illustrates the importance of the late Senator Henry Jackson's contention in his last statement before this Committee of the crucial importance of the trade committees' consistent year-round monitoring of Romanian human rights performance. A chairman's meeting with the Romanian ambassador a couple of days before the hearings just before recess has diminished importance in terms of leverage with Bucharest.

11 Senators Call for Congressional Monitoring Unit

To improve the situation, 11 Senators wrote Senator Danforth, suggesting that "a small team of representatives of the Trade Committees, Foreign Relations Committee, and the Helsinki Commission should meet bimonthly with the Romanian officials, and report back to you and the other chairmen." The first letter was written by Senator William Armstrong on September 15, 1985, and the second by Senators D'Amato, Durenberger, Grassley, Humphrey, McLure, Nickles, Pressler, Symms, Tribble and Wallop.

After Ceausescu, What?

Romanian Jews suffered enormously during World War II. They should no longer be exposed to the insecurities of an anti-semitic society which may dissolve into chaos when the hold of an ailing, elderly ruler begins to weaken in the not-to-distant future. Will the Russians take over? We in the free world must try harder to acclerate the evacuation of Romanian Jews in the coming years. Polite visits with Ceausescu by political representatives and Jewish dignitaries will not achieve anything unless back/by persistent, all year-round monitoring by Congress.

Senator Danforth. I want to thank everyone for being so good about keeping their time schedule. Senator Chafee?

Senator Chafee. Thank you, Mr. Chairman. I would like to ask Rabbi Birnbaum a question. If I understand your point, Rabbi Birnbaum, it is that we should keep a monitoring group that is actively monitoring—from Congress—what the Romanians are doing in this entire human rights area. And that makes a lot of sense to me, but my specific question, and the question before us today is: Should we suspend or deny the MFN treatment to Romania? And what do you say on that specific point?

Rabbi Birnbaum. Well, let me put it this way. I feel that if we would have a representative monitoring committee in place and not just the Helsinki Commission that is sitting on Romania's back—although I have great respect for the Helsinki Commission, they don't have that much clout with Romania.

But the ~~Finance Committee and the~~ Foreign Relations Committee—but particularly the Finance Committee—has major clout with the Romanians.

Senator Chafee. I agree with you, but——

Rabbi Birnbaum. I know what you mean.

Senator Chafee. But what is before us is: What do we do about this MFN status now?

Rabbi Birnbaum. What I am trying to say is this: In the past the Romanians have mostly not taken us seriously. At certain times, they have taken us seriously. Very often, we have had excellent results, and I have listed them. At this point, we have to give them some kind of a signal that we mean business. Now, if that means that we have to suspend MFN for 3 or 6 months, then we will have to do it; but if you can think of another way of signaling to them that we mean business, then by all means——

Senator Chafee. I agree with you, and I think your idea of this monitoring group makes sense. It should be composed of Senators and even members of the Finance Committee, who should pay close attention. But the question right now before us is: An amendment comes from the floor. "I amend this bill to suspend most-favored-nation treatment to Romania for 6 months." How do you vote?

Rabbi Birnbaum. Well, I would say this. Unless we find another signal, what else can we do? If you can find me another signal, then I am prepared to forego supporting that.

Senator Chafee. But you have suggested a signal, that is, to try this monitoring group.

Rabbi Birnbaum. It would have to be done with a very considerable fanfare for the Romanians to accept this in light of the past experience, to accept this as a proper signal, because the problem is that they haven't taken us seriously.

Senator Chafee. Mr. Handal, what is the effect of this annual business of the renewal of the MFN treatment as regards our trade? I would suspect it would be hard to make long-term plans on behalf of either the Romanian exporters or Romanian importers looking toward the United States as a reliable supplier of equipment A, B, or C. What is your answer to that?

Mr. Handal. I think you are absolutely right. I think, in the past—and this perhaps corroborates what the Rabbi was just saying—it was not taken quite as seriously as a threat that MFN would be lifted as it is currently; and the chairman made that point earlier. As a result, in the past, it has not been considered a major factor in the normal day-to-day trade.

This year, however, it is being taken very seriously on their side and on our side, and it has been very disruptive in trade.

Senator CHAFEE. Very what?

Mr. HANDAL. Very disruptive in trade. For example, merchandise that might otherwise go by boat would now be going by air in order to avoid the possibility of having these huge increases in duty. Things like that are happening, and long term plans are very difficult. My own company signed, a while back, a protocol with the Romanians for 3 years of purchases. If this bill were to be adopted, or if MFN were removed, we would be in serious trouble. We couldn't honor that agreement.

Senator CHAFEE. Mr. Hamos, you stated that the U.S. failure to act on the MFN is a deafening silence to those who are concerned. All right. Suppose we took the step and denied most-favored-nation treatment—bang—then what happens? Is that a loud statement, and what is the follow up?

Mr. HÁMOS. I think it certainly is. I think that in the dialog on this question of the possible impact of suspension of MFN, a very important precedent is being omitted. Nobody yet has mentioned it. Ambassador Ridgway was asked to comment on any other instances where MFN was denied or suspended. Well, I think it was a bit disingenuous not to mention the fact that in March 1983, on Romania, the President announced his intention to suspend MFN. He took this action because of an emigration tax that was introduced in Romania in November 1982; and indeed, the Romanian Government, prior to the annual renewal timeframe for MFN in the summer, withdrew the applicability of that emigration tax. It worked.

Senator CHAFEE. All right. Now, next week an amendment is brought on the floor to suspend most-favored-nation treatment for Romania. It passes; you would vote for it if you were sitting in the U.S. Senate.

Mr. HÁMOS. I certainly would.

Senator CHAFEE. All right. Now, that is done. That sends a loud and clear statement, but what happens next?

Mr. HÁMOS. We believe that the Romanian government would have every intention and desire, and would become very active in trying to regain, reestablish that trading status. There is every evidence to indicate that it would do so. There is a specific precedent that it did so, and we are very——

Senator CHAFEE. What is the precedent?

Mr. HÁMOS. The case that I mentioned earlier.

Senator CHAFEE. Yes, but that was a precedent to keep it while it was in effect. It seems to me that there is a great difference between a nation—well, you know the statements I have made previously. It is one thing for a nation to make efforts when something is in effect without seeming to be "cow-towing," if you would, to another nation. There is some saving of face there that, yes, we were going to make these changes anyway; but once it is lost, the question is whether they would come to us and say: Now, we have straightened and cleaned up our treatment of all minorities and emigration policies, the press and so forth—please let us back in.

Mr. Hámos. Senator, with all due respect, I think the situation is very similiar between what is proposed today and what was done in March 1983. With all due respect, that was a public announcement of suspension of MFN, and there is nothing more that is being considered today. This is not a final act that would permanently revoke that status, and I am sure it could be drafted—perhaps it isn't presently in that form—but it could be drafted to allow for reaffirmation of that status.

And let me add that we are not trying to change the system of government there. The conditions for renewal are very realistic, short-term improvements that would be good faith gestures on the Romanian Government's part of an intention to improve the situation, say, of minorities or of emigration or any number of the other issues that have come up.

Senator Chafee. Thank you. Did you have a statement, Mr. Handal?

Mr. Handal. Thank you, Senator, I just want to make two points.

Senator Chafee. Brief.

Mr. Handal. Yes; one, in this case, the threat of suspension is probably far more effective than the actual suspension itself. And second, your comment about this making a loud statement; I think it would, but my points about the cost in terms of trade and jobs, at least shows the cost of that statement.

Senator Chafee. All right. Mr. Szaz, you had a response? Briefly, please.

Dr. Szaz. You brought up the question of what happened to Poland when the MFN was withdrawn. What happened, and this would probably happen in the case of Romania, too, was first an anti-American campaign and denouncing America for doing it. But the Poles are back now for years, that we should restore the MFN, to this end they announced the amnesty of 1983, and we still have not restored it. I think in a few years Romania would be back after some reforms, too, to get the MFN back.

Senator Chafee. Thank you all very much. I appreciate it. Thank you, Mr. Chairman.

Senator Danforth. Mr. O'Connor has sent me a note, asking me if I would recognize Mr. Chapler for a few minutes.

I am very reluctant to do that, just because it is so difficult to contain this particular hearing. My past experience is that everybody wants to testify and to go on for great lengths of time. But I am told that Mr. Chapler has come down here from New Jersey. I don't know what representations were made to you, sir, but if it has been represented to you that you would have a chance to speak, I will recognize you for 2 minutes; but I do so with reluctance. And I do ask you to please keep yourself within the 2-minute time limit that Mr. O'Connor promised.

Mr. Chapler. I will try. [Laughter.]

Senator Danforth. You will not only try; you will succeed.

STATEMENT OF HAROLD CHAPLER, PRESIDENT, CHEROMI, INC., NEW JERSEY; ON BEHALF OF AMERICAN BUSINESSES FOR INTERNATIONAL TRADE

Mr. CHAPLER. My name is Harold Chapler, an importer of furniture from Romania. I would first like to say that this is the first time in my life I have testified before a Senate subcommittee, and I am very honored.

I have been doing business with Romania for over 20 years and have made over 100 visits there during that time. I would like to give you just a few of the observations I have made during those many trips to Romania.

First of all, never during this time have I been inhibited in my freedom to travel throughout the country and to speak to anyone I chose. I have routinely visited factories where articles of import are made, as well as churches of several denominations. I am a practicing Jew, and have worshipped many times freely and without any restriction in the synagogues all over Romania. The many sermons I have heard in these synagogues are absolutely no different than the sermons that are preached in synagogues in the United States.

In fact, I have an example with me from a Jewish newspaper published in Romania in both Romanian and Hebrew. I have had no trouble even obtaining kosher food during my travel since it is available in many parts of the country. I will skip part of it and stay within the 2-minute limit.

Senator DANFORTH. The whole statement will be put in the record.

Mr. CHAPLER. OK. The managing director of a large wood factory—not a member—told me that he is a practicing Roman Catholic, not a member of the dominant Roman orthodox church, a fact which to me illustrates that persons who regularly practice their religion, even if it is not Romanian orthodox, are not inhibited in obtaining positions of rank and responsibility in Romania.

As you travel through the smaller towns outside of Bucharest, you might be reminded of traveling through Italy or Spain. Each of these villages, no matter how small, has at least one large church well kept and obviously, from looking at the grounds and talking to priests and ministers, in very frequent use. The fact that there is a relatively high level of religious and cultural freedom in Romania, certainly in comparison to other nonmarket economies, has a great deal to do with the continuing cultural and economic ties with the United States, made possible by MFN. Thank you for the opportunity to speak.

Senator DANFORTH. Thank you, and thank you to everyone on the panel. That concludes the hearing.

[Whereupon, at 11:49 a.m., the hearing was adjourned.]

[By direction of the chairman the following communications were made a part of the hearing record:]

STATEMENT OF HAROLD CHAPLER
ON BEHALF OF
AMERICAN BUSINESSES FOR INTERNATIONAL TRADE
BEFORE THE
SUBCOMMITTEE ON INTERNATIONAL TRADE
SENATE COMMITTEE ON FINANCE
AUGUST 1, 1986

Good morning, Mr. Chairman and members of the Subcommittee. I am Harold Chapler, President of Cheromi, Inc., a New Jersey-based importer of furniture. As Mr. Robertson mentioned, I have been doing business with Romania for over 20 years, and have made over 100 visits there during that time. I would like to give you just a few of the observations I have made during those many trips to Romania.

First of all, never during this time have I been inhibited in my freedom to travel throughout the country and speak to anyone I choose. I have routinely visited factories where the articles I import are made, as well as churches of several denominations. I am a practicing Jew, and have worshipped many, many times freely and without any restriction in the synagogues all over Romania. The many sermons I've heard in the synagogues are absolutely no different than the sermons that are preached in the synagogues of the United States. In fact, I have an example with me from a Jewish newspaper published in Romania in both Romanian and Hebrew. I have had no trouble even obtaining kosher food during my travels, since it is available in many parts of the country.

I have also talked many times, through my own interpreters, to Romanians from numerous denominations, including

Baptists. I have been told time and time again in what I believe to be freely undertaken conversations that there are no problems with regard to religious liberties as long as church members continue to abide by the laws of the country, for example, participating in the military draft and sending children to the public schools, just as we require in this country. In fact, the managing director of a large wood factory recently told me that he is a practicing Roman Catholic, not a member of the dominant Romanian Orthodox Church -- a fact which to me illustrates that persons who regularly practice their religion, even if it is not Romanian Orthodox, are not inhibited in attaining positions of rank and responsibility in Romania.

As far as civil liberties and living conditions are concerned, people do grumble about their living conditions. At the same time, however, they understand the need for sacrifice during a period of economic hardship and austerity for the country and are looking forward positively to improved conditions. As it is, the vast majority of homes have T.V.s and radios, and indeed T.V. antennas are visible throughout the country. People all over the country listen openly to Radio Free Europe. During this most recent visit, I also noticed many new automobiles on the roads and in the towns (although there are times in the year when there is not enough gas to drive), and an enormous amount of construction in Bucharest.

The country is in transition from an agrarian society to a fully industrialized one, but the transition has not affected the importance of religion to Romania or the very active role that churches play in the lives of the towns. In fact, as you travel through the smaller towns outside of Bucharest, you might be reminded of traveling through Italy or Spain. Each of these villages, no matter how small, has at least one large church, well kept and obviously, from looking at the grounds and talking to priests and ministers, in very frequent use. Indeed, there is much more activity on a weekly basis going on at a typical church in Romania than found in many churches in the United States.

As Mr. Robertson has said, the fact that there is a relatively high level of religious and cultural freedom in Romania, certainly in comparison to other non-market economies, has a great deal to do with the continuing cultural and economic ties with the United States which are made possible by MFN. No one denies that Romania is far from perfect, but the examples of repression and economic hardship which concern all of us would inevitably increase if MFN were withdrawn, and the sad tales of individuals separated from families in the West would certainly multiply. Unlike other Third World citizens, the man in the street in Romania has tremendous liking for the United States. It is these people who, in the end, will suffer most if MFN is withdrawn. For that reason, I believe profoundly that maintaining our economic and cultural ties with Romania through MFN is just as beneficial to the level of freedom and comfort in that country as it is to American trade. I could not be more emphatic in urging you to continue it.

Thank you for the opportunity to appear here today. I will be happy to answer any questions you may have.

DON NICKLES
OKLAHOMA

United States Senate
WASHINGTON, D.C. 20510

COMMITTEES:
ENERGY AND NATURAL RESOURCES
LABOR AND HUMAN RESOURCES
SMALL BUSINESS

July 24, 1985

His Excellency Nicolae Ceausescu
President
The Socialist Republic of Romania
Bucharest
ROMANIA

Dear Mr. President:

We, the undersigned members of the United States Senate, are gravely concerned about continuing reports reaching us regarding the severely repressive measures being taken by your government against religious believers, emigration applicants, and ethnic minorities.

While we are pleased to hear of an agreement between our two nations which should alleviate hardships for new emigration applicants (the loss of employment, housing, and medical treatment), we are concerned that the process of family reunification remains extremely difficult or impossible.

Regarding Romanian Jewish emigration, half as many Jews (543) reached Israel during the first half of 1985 compared to the same period last year (1,026). During 1984 almost 2,000 Romanian Jews arrived in Israel; in the years before Romania received Most Favored Nation trade status the annual rate was almost 4,000.

Reliable information reaching Congress has confirmed the destruction of at least three churches: the Pentacostal Church of Cimpia Turzii, the Baptist Church of Bistrita, and the Giulesti Baptist Church of Bucharest. In addition, religious leaders such as Constantin Sfatcu of Iasi are being arrested and convicted for long prison terms for distributing Bibles and other religious literature. It has even been reported that a shipment of 20,000 Bibles sent to the Hungarian minority churches by Western church organizations have been recycled for use as toilet paper.

Many churches are kept waiting for years without building permits including: The Second Baptist Church of Oradea, Hateg Baptist Church, Resita Baptist Church, the Pentacostal Church of Medias, Tirgu-Mures Pentacostal Church, the Baptist Church of Timisoara, the Baptist Church of Marghita, and the Tiganesti Baptist Church of Alexandria.

215 Dean McGee Ave
Room 820
Oklahoma City OK 73102
#405. 231-4941

3003 Federal Bldg.
333 W 4th
Tulsa OK 74103
#918. 581-7651

1916 Lake Road
Ponca City, OK 74601
#405. 767-1270

Page Two

Among minorities, the Hungarians continue to be singled out for deprivation of their cultural heritage. Recently, all television broadcasting in Hungarian was stopped, more Hungarian schools closed, and spokesmen of that minority harassed, imprisoned and beaten.

These facts, along with many other concerns, raise the question of whether our MFN trade status with Romania is really mutually beneficial. It is becoming increasingly difficult to justify this special relationship with a nation that is thought by more and more Americans to have little regard for human rights.

Your help in addressing these concerns is very important to us. We believe that progress in human rights is possible when two nations work together for the common good.

Sincerely,

Don Nickles
DON NICKLES
U.S. Senator

Chris J. Dodd
CHRISTOPHER J. DODD
U.S. Senator

Jim McClure

David L. Boren

Mark Andrews

Steve Symms

Dick Lugar

John Heinz

Frank H Murkowski

John Glenn

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Nancy Landon Kassebaum

Strom Thurmond

Larry Pressler

Dave Durenberger

Chuck Grassley

L. ARMSTRONG
COLORADO

United States Senate
WASHINGTON, DC 20510

September 5, 1985

The Honorable John Danforth
Chairman
Subcommittee on International Trade
U.S. Senate
Washington, D.C. 20510

Dear John:

I would like to follow up on a letter sent to you by several members of the Subcommittee regarding year-round monitoring of Romania's human rights record as it relates to the granting of Most Favored Nation status.

Clearly, Romania is making little progress toward the practice of human rights upon which its MFN trade status is based. Rather than simply holding hearings once a year, more systematic monitoring by the West may provide a greater incentive for compliance by the Romanian government.

I hope you will consider the idea of a team of members from the Trade Subcommittee, the Foreign Affairs Committee, and the Helsinki Commission to monitor Romania's progress on human rights year-round.

Sincerely,

William L. Armstrong

WLA:wl

Rom

II

99TH CONGRESS
1ST SESSION

S. 1817

To suspend temporarily most-favored-nation treatment to Romania.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 1 (legislative day, OCTOBER 28), 1985

Mr. TRIBLE (for himself and Mr. ARMSTRONG) introduced the following bill; which was read twice and referred to the Committee on Finance

---

A BILL

To suspend temporarily most-favored-nation treatment to Romania.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress—

(1) notes that the Department of State, in the publication "Country Reports on Human Rights Practices for 1984", found that "In the area of human rights, major discrepancies persist between Romania's Constitution, laws, public pronouncements and international commitments on the one hand, and the civil liberties and human rights actually allowed by the regime on the other";

(2) is aware of numerous accounts from various human rights organizations, the Department of State, and congressional delegations of incidents of people being arbitrarily harassed, interrogated, and arrested by Romanian authorities for the exercise of civil liberties;

(3) finds that official Romanian harassment has not only been extended to the arrest of persons for carrying Bibles and other religious materials, but even carried to the point of destroying churches and recycling Bibles for the production of toilet paper; and

(4) further funds that the United States trade deficit with Romania (which in 1985 reached a ratio of 4.7 to 1) is a result of our extension of nondiscriminatory treatment (most-favored-nation treatment) to that country and can be construed as an endorsement of that nation's abusive internal practices.

SEC. 2. (a) Nondiscriminatory treatment (most-favored-nation treatment) may not be extended to the products of Romania during the six-month period that begins on the first day of the second month occurring after the month in which this bill is enacted.

(b) Before the close of the six-month period referred to in subsection (a), the President shall—

(1) assess the status of civil liberties and human rights in Romania; and

(2) recommend to Congress whether the suspension of nondiscriminatory treatment to Romania under the preceding section should be extended and, if so, for what period.

○

I

99TH CONGRESS
1ST SESSION

H. R. 3599

To suspend temporarily most-favored-nation treatment to Romania.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 22, 1985.

Mr. SMITH of New Jersey (for himself, Mr. HALL of Ohio, and Mr. WOLF) introduced the following bill; which was referred to the Committee on Ways and Means

DECEMBER 3, 1985

Additional sponsors: Mr. BROYHILL, Mr. COELHO, Mr. ALEXANDER, Mr. LAGOMARSINO, Ms. KAPTUR, Mr. SILJANDER, Mr. APPLEGATE, Mr. COURTER, Mr. SAXTON, Mr. LEATH of Texas, Mr. SKELTON, Mr. KINDNESS, Mrs. BENTLEY, Mr. WILSON, Mr. WORTLEY, Mr. MCGRATH, Mr. LIPINSKI, Mr. DENNY SMITH, Mr. MORRISON of Connecticut, Mr. WEBER, Mr. BARTON of Texas, Mr. DORNAN of California, Mr. EMERSON, Mr. RANGEL, Mr. EDWARDS of Oklahoma, Mr. ATKINS, Mr. SWINDALL, Mr. BONIOR of Michigan, Mr. HUNTER, Mr. HENRY, Mr. COUGHLIN, Mr. MONSON, Mr. RUDD, Mr. BLILEY, Mr. EVANS of Illinos, Mr. VENTO, Mr. HUBBARD, Mr. BURTON of Indiana, Mr. BOUCHER, Mr. GRAY of Illinois, Mr. EDWARDS of California, Mr. HILER, Mr. DANIEL, Mr. NEAL, Mr. PORTER, Mr. COBEY, and Mr. SUNIA

A BILL

To suspend temporarily most-favored-nation treatment to Romania.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress—

(1) notes that the Department of State, in the publication *Country Reports on Human Rights Practices for 1984,* found that "In the area of human rights, major discrepancies persist between Romania's Constitution, laws, public pronouncements and international commitments on the one hand, and the civil liberties and human rights actually allowed by the regime on the other";

(2) is aware of numerous accounts from various human rights organizations, the Department of State, and Congressional delegations of incidents of people being arbitrarily harassed, interrogated, and arrested by Romanian authorities for the exercise of civil liberties;

(3) finds that official Romanian harassment has not only been extended to the arrest of persons for carrying Bibles and other religious materials, but even carried to the point of destroying churches and recycling Bibles for the production of toilet paper; and

(4) further finds that the United States trade deficit with Romania (which in 1985 has already reached a ratio of 4.7 to 1) is a result of our extension of nondiscriminatory treatment (most-favored-nation treatment) to that country and can be construed as an endorsement of that nation's abusive internal practices.

SEC. 2. (a) Nondiscriminatory treatment (most-favored-nation treatment) may not be extended to the products of Romania during the 6-month period that begins on first day of the second month occurring after the month in which this is enacted.

(b) Before the close of the 6-month period, referred to in subsection (a), the President shall—

(1) assess the status of civil liberties and human rights in Romania; and

(2) recommend to Congress whether the suspension of nondiscriminatory treatment to Romania under the preceding section should be extended and, if so, for what period within one year.

○

May 28, 1986

SUSPENSION OF ROMANIA'S MFN STATUS
H.R. 3599

Original cosponsors: Tony Hall and Frank Wolf

Alexander, Bill
Applegate, Douglas
Armey, Richard
Atkins, Chester
Badham, Robert
Barton, Joe
Bateman, Herbert
Bentley, Helen
Bilirakis, Michael
Bliley, Thomas
Bonior, David
Boucher, Frederick
Broyhill, James
Bryant, John
Burton, Dan
Coats, Dan
Cobey, William
Coelho, Tony
Coughliin, Lawrence
Courter, Jim
Craig, Larry
Daniel, Dan
Daschle, Thomas
Daub, Hal
DeWine, Michael
Dornan, Robert
Dowdy, Wayne
Dwyer, Bernard
Eckert, Fred
Edgar, Bob
Edwards, Don
Edwards, Mickey
Emerson, Bill
Evans, Lane
Fields, Jack
Gallo, Dean
Garcia, Robert
Gingrich, Newt
Gray, Kenneth
Henry, Paul
Hiler, John
Hubbard, Carroll
Hunter, Duncan
Kaptur, Marcy
Kindness, Thomas
Kolbe, Jim
Lagomarsino, Robert
Leath, Marvin
Lehman, William
Lipinski, William
Lowry, Mike
McCain, John
McEwen, Bob
McGrath, Raymond
Mikulski, Barbara
Molinari, Guy
Monson, David
Morrison, Bruce
Neal, Stephen
Packard, Ron
Parris, Stan
Pickle, J. J.
Porter, John Edward
Rangel, Charles
Rinaldo, Matthew
Robinson, Tommy
Rudd, Eldon
Saxton, Jim
Schuette, Bill
Siljander, Mark
Skelton, Ike
Smith, Denny
Smith, Neal
Stallings, Richard
Sundquist, Don
Sunia, Fofo I.F.
Swindall, Patrick
Synar, Mike
Vento, Bruce
Vucanovich, Barbara
Weber, Vin
Wilson, Charles
Wirth, Timothy
Wortley, George

86

HOUSE OF REPRESENTATIVES
WASHINGTON, D C 20515

FRANK R. WOLF
TENTH DISTRICT, VIRGINIA

April 23, 1986

Dear Mr. Rosenthal:

I appreciated your taking the time last week to visit with me and express your concerns about the pending suspension of Most Favored Nation trade agreement with Romania.

As you may know, the House Ways and Means Subcommittee on Trade yesterday announced its intentions to hold hearings in June on bills seeking the permanent and temporary suspension of MFN for Romania. This is a new development and underscores my comments last week that there is a growing sentiment within the Congress that because of its blatant disregard of human rights, Romània no longer deserves the economic support and trade preference that MFN allows. I believe decisive action on Romania's MFN status may very well be taken before the end of the summer and that next year's MFN renewal may now be in jeopardy.

Although I am pleased with your interest in presenting our specific concerns to the Romanian government, I must be frank in telling you that I am not optimistic about the success of such an effort. It is only because the situation is so grim, and every other avenue for genuine human rights improvements appears to have been exhausted, that I provide this lengthy--but by no means exhaustive--list of situations in Romania which need redress. Attention to the trends and repression represented in this list could send a signal to the U.S. Congress and the world of Romania's genuine commitment to human rights and the dignity of its citizens. Our human rights concerns are centered in three basic areas: 1) the Romanian government's persecution, harassment and general treatment of Christians, religious organizations and churches; 2) Romania's persecution of minorities; and 3) the government's harassment of Romanians seeking to leave the country.

As per your request, I am submitting with this letter a list of the types of abuses in Romania of which we are aware underscoring America's growing concern and support for suspending MFN.

Again, thank you for your interest in this matter and I wish you every success.

Sincerely,

Frank R. Wolf
Member of Congress

Mr. Milton F. Rosenthal
1221 Avenue of the Americas
New York, New York 10020

Congress of the United States
House of Representatives
Washington, D.C. 20515

May 1, 1986

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

We are writing to urge that you suspend this year's anticipated renewal of Most Favored Nation trade status for Romania for a least six months. We urge this action because of our deep concern about human rights abuses in communist Romania.

We have attached a listing which details human rights violations, repression of religious freedoms, persecution and imprisonment of Christians, harassment of national minorities and unresolved emigration problems in Romania. Unfortunately, this information only begins to tell of the extent of the repressive domestic policies being perpetuated in Romania under President Ceausescu. All of the incidents and situations listed on the attached have arisen within the last year.

We have also enclosed a copy of an article by Ion Pacepa, the highest ranking intelligence defector, who outlines the nature of Ceausescu's policies, his relationship to the Soviet Union, his country's involvement in terrorist activities and espionage against the United States and other western nations. The human rights abuses and the policies of this communist country are further underscored by the current trade deficit the U.S. has with Romania (1:4.79).

Mr. President, we believe it is imperative that the United States stand firmly on the principles that have made this nation strong and successful -- commitment to freedom, human dignity, and basic human rights. Is it right to hold those beliefs as a nation, while we not only tolerate repression and denial of human rights for others, but also support that with our economic assistance?.

We urge you to suspend MFN to Romania for six months to send a clear and powerful message to the Romanian government that the

United States will not provide economic support to a nation which does not respect the basic human rights of its people.

Thank you for your consideration.

Sincerely,

Frank R. Wolf
Tony P. Hall
Christopher H. Smith

The Center for Russian and East European Jewry
240 Cabrini Blvd., New York, N.Y. 10033
Tels. (212) 928-7451, 795-8867, 799-8902

F.Y.I.

July 17, 1986

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Hon. Stephen Solarz
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Rabbi Israel Wohlgelernter
Prof. Michael Wyschogrod

Sen. J. Danforth Chmn.
Int'l Trade Subcommittee
Washington DC

Dear Sen. Danforth:

Please note the three enclosed Jewish organizational statements regarding the inadequacy of Romanian Jewish emigration this year. I am authorised to speak on their behalf at the July 28th hearings.

I should add that I have been in frequent touch with Mooris Abram, Chairman of the Conference of Presidents of Major Jewish Organizations on this matter and he has communicated his concerns in writing to the Romanian Ambadsador.

Your early intervention with the Romanian authorities would be deeply appreciated.

Very Sincerely

Jacob Birnbaum
National Director

The Center for Russian and East European Jewry
240 Cabrini Blvd., New York, N.Y. 10033
Tels. (212) 928-7451, 795-8867, 799-8902

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Dr. Hillel Seidman
Hon. Stephen Solarz
Elie Wiesel
Rabbi Israel Wohlgelernter
Prof. Michael Wyschogrod

URGENT

Statement on Romanian Jewish Emigration in regard to Senate Trade Subcommittee Hearings, 7.28.86

During the first 6 months of 1986 only 483 Romanian Jews reached Israel, compared with 1,026 for the same period in 1984. There is no sign as yet of better for the rest of 1986.

In 1985, though a total of 1,991 Jews were approved to leave, only 1,332 actually did so.

Despite numerous Romanian assurances to U.S. Administration and Congressional representatives and to U.S. Jewish leaders during the past 15 years, the Jewish emigration situation situation has remained uncertain and disturbing.

In the years just before Romania received MFN trading status, the annual outflow was 3/4000. Once they had it, the rate halved to some 2,000 (1975/6) and then halved again to approximately 1,000 in the succeeding years.

It is significant of the calculated manner in which the Romanian authorities manipulate emigration that in 1984, the rate rose to almost 2,000 - an attempt to placate us after the unpleasant experience of the Education Tax.

It is our contention that the annual rates could easily be accelerated to the levels prevailing during the early 1970s.

There is an additional factor. With the possibility of the loss of effective power by an aging President Ceausescu in the not distant future, the evacuation of as many Jews as possible acquires a new urgency.

We would greatly appreciate your early intervention with the Romanian authorities for the purpose of accelerating this process.

Jacob Birnbaum
Jacob Birnbaum, Nat'l Director

cc Sec. of State G. Shultz/ Senators Packwood, Lugar, Boschwitz, Trible, Armstrong, Bradley, D'Amato, Grassley, Heinz, Moynihan, / .
Messrs Morris Abram, Kenneth Bialkin, Malcolm Hoenlein, Chairman, Immediate past Chairman, Exec. Director, Conference of Presidents of American Jewish Organizations.

July 16, 1986

UNION OF COUNCILS FOR SOVIET JEWS
1411 K STREET, NW • SUITE 402 • WASHINGTON, DC 20005 • (202) 393-4117

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July 14, 1986

His Excellency Nikolai Gavrilescu
Embassy of Romania
1607 23rd Street, N.W.
Washington, DC 20008

Dear Ambassador Gavrilescu,

I have recently learned that the statistics showing emigration of Romanian Jews to Israel are lower this year than in the same period of time in 1984 and 1985.

I was surprised at these statistics because of the assurances previously given to the U.S. government by your government.

This raises the question as to whether Romania is now in compliance with the Jackson-Vanik Amendment.

I am hopeful that by the time the U.S. Senate holds hearings to review this situation, the emigration rates will rise substantially.

Sincerely,

Morey Schapira
National President

MS:ps

cc: Senator Paul S. Trible
Senator Claiborne Pell
Senator Bob Packwood
Senator John Danforth
Senator Richard Lugar
Senator Alan Cranston
Representative Sam Gibbons
Representative Dante Fascell
Representative Steny Hoyer
Vice Admiral John Poindexter, Nat'l Security Council
Hon. George Shultz
bcc: UCSJ Executive Committee
Paula Dobriansky, Nat'l. Security Council
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2129287451 MGMB TDMT NEW YORK NY 78 07-11 0559P EST
ZIP
AMBASSADOR GAVRILESCU
1607 23 ST NORTHWEST
WASHINGTON DC 20008
ON BEHALF OF THE LARGEST RABBINICAL GROUP IN AMERICA WE PROTEST THE POLICY THAT RESULTED IN THE ARRIVAL OF ONLY 483 ROMANIAN JEWS IN ISRAEL AS OF JUNE 30 1986, COMPARED WITH 1,026 BY JUNE 30 1984.

BEFORE ROMANIA RECEIVED MFN, ANNUAL JEWISH IMMIGRATION WAS 4,000. WE SEE NO VALID REASON WHY THE SAME LEVEL SHOULD NOT BE REACHED AGAIN.
RABBI ALAN MYEROWITZ CHAIRMAN EAST EUROPEAN COMMISSION RABBINICAL ASSEMBLY

TO REPLY BY MAILGRAM MESSAGE, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

Mr. Gheorghe Balica
5909 North Kenmore
Chicago, Illinois 60660
July 5, 1986

Trade Subcommittee on Most-Favored-Nation Status for Hungary, Romania, China, and Afghanistan
Betty Scott Room, Committee on Finance
Room SD-219
Dirksen Senate Office Building
Washington D.C. 20510

To Whom It May Concern:

My name is Gheorghe Balica and I reside in Chicago. I came to this country in December, 1983. I worked at the Institute of Research Projects in the city of Arad, as an engineer, up to the time I left Romania. I never had to suffer in any way for the fact that I was a member of the Baptist Church. I was a child in 1938-1940 when my father, President of the Baptist Church in the city where I was born (The church had been closed by authorities at that time.) organized a water baptism, for which he was arrested. Today the Baptists of Romania enjoy their liberty.

My father-in-law, Zbircea Milentie, from Arad (102 Holmagean Street), who just arrived from Romania to visit us, said that nobody suffers because of his religion and that everybody enjoys his liberty. I am enclosing a few pictures of the baptisms at Curtici City, where 24 people were baptized (see page 2) and at Otelol Rosu, where 28 people were baptized (see page 8). These baptisms took place on June 10, 1984. On June 23,1985, another 40 paople were baptized at the city of Bocsa (see page 9) and on June 2, 1985, 50 people were baptized at the Speranta Church in Arad County (see page 20), as at many, many other churches throughout Romania. I have attached a copy of the "The Iliuminator," a monthly publication of the Romanian Baptist Association of the United States of America, Canada, and Australia. This publication contains the aforementioned pictures from the issues of May, 1985 and August/September, 1985.

There is a strong bond between the Baptist communities of Romania and the U.S.A. and other countries. In 1984, a delegation of Baptist leaders from Romania participated in the Congress of the Romanian Baptist Association of Chicago, and a delegation of Romanian Baptists from the United States participated in an assembly of the Baptists of Romania. In July, 1985, a Romanian Baptist delegation participated in the Congres Mondiale du Baptisme in California.

Romania is considered a Romance Island in a Slovanic Sea. That is, Romania is the only country where a Latin language is spoken and it surrounded by countries where only Slavic languages are spoken. In 1968, Romania was the only Eastern Block country which criticized the invasion of the Soviet troops in Czechoslovakia. Romania did not break diplomatic relations with Israel and even today maintains quite friendly relations with Israel. Jewish people who want to immigrate to Israel are allowed to do so. In 1984, Romania was the only country from the Eastern Block to send a delegation to the Olympic Games in California.

About the Hungarian minority in Romania: Hungarians sometimes have more rights than the Romanian majority, with no discrimination between the rights of the Romanians and the Hungarians. The Hungarians have their churches and theaters financed by the State of Romania as well as their newspapers and magazines in their maternal language. These include art, science, and culture. However, a small group of Hungarians living abroad have complained and agitated for a long period of time. In fact, they filed a complaint at the International Court of Justice in Haag that they be compensated for their loss of land which the Romanian government distributed to the peasantry. This had been done regardless of the ethnic background of the recipient. This same type of agitation happens theses days in the U.S.A. by some Hungarians. It is this group of Hungarians in the U.S.A. that claims that the Hungarian ethnic group in Transylvania is deprived of its cultural heritage. THIS IS NOT TRUE.

In conclusion, I recommend approval of the Presidential Recommendation: I believe that by extending the Most-Favored-Nation clause to Romania, the United States would benifit both tradewise and politically and the Romanian people can hope for greater independence.

Thank you for your consideration of this matter.

Respectfully,

Gheorghe Balica

The Coca-Cola Company
ATLANTA, GEORGIA

DONALD R. KEOUGH
PRESIDENT
AND
CHIEF OPERATING OFFICER

ADDRESS REPLY TO
P. O. DRAWER 1734
ATLANTA, GA. 30301
404 676-2121

June 24, 1986

The Honorable
John C. Danforth
Chairman, Subcommittee on
International Trade
Committee on Finance
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

As you are considering the extension of the President's waiver authority under Section 402 of the 1974 Trade Act, I would like to express my support for continuing the Most Favored Nation Tariff Treatment for the People's Republic of China. I would further recommend that the President's waiver authority with respect to China be extended on a multi-year basis, rather than annual renewal. This would create a climate more consistent with the expanding economic relations between our two countries.

The Coca-Cola Company has been selling Coca-Cola and our other soft drinks to China since 1979. There are bottling plants for these beverages in Beijing, Guangzhou, Xiamen and Zhuhai, with negotiations going on at present to establish additional plants. The U.S.-China Trade Agreement provides a necessary structure for the kind of expansion of trade with China that will benefit not only my Company but the economic and political interests of the U.S. as well. As China moves forward with its internal modernization and economic development, continuation of a trade agreement that enables U.S. companies to participate fully will only benefit the U.S. economy.

In 1985, the United States had a trade deficit of approximately $148 billion. This figure shows how important it is for the U.S. to emphasize international trade as a national economic priority. We need to try even harder to achieve a positive trade balance whereby we would also be creating more jobs for Americans. Denial of fair tariff practices at this time would only have an adverse impact on the climate in which international trade can grow.

Page 2
The Honorable John C. Danforth
June 24, 1986

It is my strong belief that the continuation of fair trade practices would be in our country's own best interests and a positive factor in overall U.S.-China relations.

I appreciate your continuing efforts to monitor these trade agreements to ensure that our country's best interests are served.

Sincerely,

DRK/dm

The Coca-Cola Company
ATLANTA, GEORGIA

DONALD R. KEOUGH
PRESIDENT
AND
CHIEF OPERATING OFFICER

ADDRESS REPLY TO
P. O. DRAWER 1734
ATLANTA, GA. 30301
404-898-2121

June 24, 1986

The Honorable
John C. Danforth
Chairman, Subcommittee on
International Trade
Committee on Finance
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

As you are considering the extension of the President's waiver authority under Section 402 of the 1974 Trade Act, I would like to express my strong support for continuing the Most Favored Nation Tariff Treatment for Romania and Hungary.

The Coca-Cola Company sells Coca-Cola in both Hungary and Romania and recognizes the importance of this business to its overall operations. We value highly our business relationships and believe it is necessary to preserve the framework for this mutually beneficial trade which benefits not only my Company but the economic and political interests of the United States as well.

In 1985, the United States had a trade deficit of approximately $148 billion. This figure shows how important it is for the U.S. to emphasize international trade as a national economic priority. We need to try even harder to achieve a positive trade balance whereby we would also be creating more jobs for Americans. Denial of fair tariff practices at this time would have an adverse impact on the climate in which international trade can grow.

It is my strong belief that continuing fair trade practices with our bilateral trading partners will further benefit our trade with these countries.

I appreciate your continuing efforts to monitor these trade agreements to ensure that our country's best interests are served.

Sincerely,

Donald Keough

DRK/dm

ROBERT R. NATHAN
ASSOCIATES INC

1301 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
Telephone: 202-393-2700
Telex: 248482, Cable: NATECON
TWX: 710-822-1995

July 25, 1986

Written Statement of John C. Beyer,
Consultant to the Chilewich Corporation, Regarding
the Continuation of the Presidential Authority To
Waive the Freedom of Emigration Provisions of
The Trade Act of 1974
Presented to the Senate Committee on Finance,
Subcommittee on International Trade

My name is John C. Beyer. I am the President of Robert R. Nathan Associates, a firm of consulting economists. My firm has represented the Chilewich Corporation in Washington for over 20 years. In the past I have testified on behalf of the Chilewich Corporation in support of Most-Favored-Nation status for Romania, and I am pleased to have the opportunity to testify on this subject again. The United States and Romania are important trading partners and Romania's Most-Favored-Nation trade status is a significant factor in this relationship. I support the extension of Most-Favored-Nation trade status to Romania based on the economic benefits of free trade resulting for both countries.

The Chilewich Corporation is a large international trading company. An important division of their business is exporting cattle hides, the raw material for leather. In 1985, Romania was the fifth largest importer of U.S. cattle hides, after South Korea, Taiwan, Japan and Mexico. The

U.S. increased its exports of cattle hides to Romania from 1,031,941 hides in 1984 to 1,168,400 in 1985. These figures represent 4.1 percent and 4.7 percent of American cattle hide exports in 1984 and 1985, respectively.[1]

Cattle hide exports to Romania constitute a significant contribution to the U.S. cattle and beef industries by providing a market for a by-product generated in excess of domestic demand. This generates revenues for continued growth and prosperity in these industries, helps to decrease the U.S. foreign trade deficit and, together with other agricultural commodity exports to Romania, provides a badly needed export market for the depressed U.S. farm economy.

In addition to cattle hides, U.S. exports to Romania include coal, soybeans, corn, aircraft engines, cigarettes, and electrical physical analysis equipment. In 1985 coal, cattle hides, corn, and soybeans accounted for 61.6 percent of U.S. exports to Romania.[2] Total American exports to Romania in 1985 were valued at $208.2 million. While this represented a 16.3 percent decrease from 1984, U.S. trade with Romania shows dramatic signs of picking up this year. U.S. exports to Romania in first quarter 1986 were $107.9 million, a 105.9 percent increase from first quarter 1985.[3]

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[1] U.S. Department of Commerce, Bureau of the Census, U.S. Exports: Schedule E Commodity by Country, FT410, December 1984 and December 1985.

[2] United States International Trade Commission, 45th Quarterly Report to Congress and Trade Policy Committee on Trade between the United States and Nonmarket Economics during 1985, Publication Number 1827, March 1986.

[3] U.S. Department of Commerce, Bureau of the Census, Highlights of U.S. Export and Import Trade, FT990, December 1985 and March 1986.

Romania is an important Eastern bloc trading partner for the United States. Since 1975, when Romania was first accorded Most-Favorite-Nation status, until 1984, Romania received 25.0 percent of U.S. exports to Eastern Europe; the 1985 figure is 26.3 percent. Poland is the only East European bloc communist country to import more American goods than Romania.[4]

The United States has traditionally imported more goods from Romania than from any other communist state. Imports from Romania decreased slightly from $892.5 million in 1984 to $881.7 million in 1985. First quarter 1986 U.S. imports from Romania were $225.9 million, a marginal increase from $221.6 million in first quarter 1985.[5] Major imports include petroleum, leather goods, clothing, steel products, chemicals, and furniture.[6]

A significant portion of Romania's trade with the industrialized countries is with the United States. In 1983, 13.6 percent of Romania's trade with industrialized countries was with the United States, increasing to 18.7 percent in 1984. Among the industrialized countries, the United States ranks third in trade with Romania in 1984 after West Germany and Italy, despite the geographical proximity to Romania of other European states.[7]

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[4] U.S. Department of Commerce, Bureau of the Census, Highlights of U.S. Export and Import Trade, various issues.

[5] Figures given are customs values. U.S. Department of Commerce, Bureau of the Census, Highlights of U.S. Export and Import Trade, FT990, December 1985 and March 1986.

[6] United States International Trade Commission, 45th Quarterly Report to the Congress and the Trade Policy Committee on Trade Between the U.S. and the Nonmarket Economies During 1985, Publication 1827, March 1986.

[7] International Monetary Fund, Direction of Trade Statistics, May 1986.

Romania's economy continued to expand in 1985, although it did not meet all of its own economic performance goals that it established for itself for the year. According to Romanian government figures for 1985, national income grew by 5.9 percent and industrial production by 4.9 percent. The country also maintained a trade surplus and further lowered its foreign debt. The reduction in world oil prices has benefited the Romanian economy. The Romanian government places a high priority on modernizing the country's economy: net investment constitutes 27 percent of national income, the highest level in Eastern Europe. These factors are positive indicators that substantial trade between the U.S. and Romania will continue.[8]

Romania's prominence in the overall United States-Eastern European trading market was spurred by the signing of the United States-Romania Trade Agreement in 1975, which accorded Most-Favored-Nation tariff status to Romania and facilitated commercial exchanges. Although there have been a series of other economic agreements and protocols with Romania over the past decade, Most-Favored-Nation status has been a pivotal factor in United States-Romanian trade.

Romania represents a significant market for U.S. goods. It is an important channel for East-West relations that should be kept opened. The continuation of U.S. and

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8. United States International Trade Commission, 45th Quarterly Report to the Congress and the Trade Policy Committee on Trade between the United States and Nonmarket Economics during 1985, Publication Number 1827, March 1986. The Economist Intelligence Unit, Quarterly Economic Review of Romania, Bulgaria, Albaria, No. 1 1986.

Romanian trade is dependent upon Most-Favored-Nation status being granted to Romania. The renewal of the President's authority to grant Most-Favored-Nation status to Romania will ensure that this trade will continue to thrive to the benefit of both countries. The Chilewich Corporation, cattle farmers and other U.S. exporters, will all gain by preserving Romania'a Most-Favored-Nation status.

The economic factors cited above support the extension of international trade with Romania. Most-Favored-Nation status is the foundation for this trade. On behalf of the Chilewich Corporation, I strongly recommend the extension of Most-Favored-Nation status for Romania.

August 1, 1986

STATEMENT IN FAVOR OF SUSPENDING MFN TO ROMANIA BEFORE THE INTERNATIONAL TRADE SUBCOMMITTEE OF THE SENATE COMMITTEE ON FINANCE BY THE COMMITTEE FOR DANUBIAN RESEARCH

The Congress is considering whether to extend most-favored-nation ("MFN") status to Romania for another year. Given Romania's dismal human rights record and the insignificance of its so-called independent foreign policy, no United States self-interest justifies continuation of MFN this year, absent significant concessions by Romania.

APPLICATION OF THE POLICY OF DIFFERENTIATION MANDATES SUSPENDING MFN TO ROMANIA

United States policy of differentiation toward East-Central Europe was concisely articulated by Vice President Bush in a speech he gave in Vienna on September 21, 1983. The Vice President described that policy as follows:

> Our policy is one of differentiation that is, we look to what degree countries pursue autonomous foreign policies, independent of Moscow's direction; *and to what degree they foster domestic liberalization -- politically, economically and in their respect for human rights*. The United States will engage in closer political, economic and cultural relations with those countries . . . *which assert greater openness or independence*...
>
> We will not... reward closed societies and belligerent foreign policies countries... *which continue to flagrantly violate the most fundamental human rights*; and countries... which act as proxies to the Soviets in the training, funding and arming of terrorists, and which supply advisors and military and technical assistance to armed movements seeking to destabilize governments in the developing world. (Emphasis added.)

Thus, differentiation is based on two (not necessarily mutually exclusive) criteria -- autonomous foreign policy and domestic liberalization. These two criteria express our perceived self-interest, not to mention the interests of the people of East-Central Europe. Applying these two criteria, it is clear that Romania should not receive further benefits under the Trade Act of 1974.

ROMANIA'S DISMAL HUMAN RIGHTS POLICY MANDATES SUSPENDING MFN TO ROMANIA

Turning to the first criterion, it is beyond dispute that the socialist states in East-Central Europe do not form a monolithic bloc -- Romania is among the most repressive and Stalinistic states in that region. As noted by Helsinki Watch on May 17, 1985, "Romania is generally considered to be one of the most egregious human rights offenders in Eastern Europe. Nor has the situation improved over the past few years. A severely deteriorating economy, a corrupt bureaucracy, an omnipresent secret police network, and the 'cult of personality' surrounding the Ceausescu family have resulted in increasing misery for Romanian citizens."

In addition to the repression faced by the population at large, including the often insurmountable obstacles erected by the government to family unification, Romania's two to three million Hungarians are subjected to intensified policies aimed at forcibly assimilating and extinguishing the cultural life of the members of that minority. The systematic policy aimed at homogenizing Romania have been more than well documented and include: the elimination of Hungarian language educational institutions; the dissolution of compact Hungarian communities; the suppression of Hungarian and other minority languages; curtailment of human contacts and cultural exchanges with Hungarians (and Westerners) outside of Romania; harassment of churches and religious groups and confiscations of their archives to eradicate all traces of Hungarian presence and history in Transylvania; falsification of census figures and history to the point of promoting a national hatred toward Romanian citizens of Hungarian nationality; and the concomittant persecution of individuals who exhibit the slightest resistence to Romania's systematic and relentless program of forced assimilation.

A most tragic example of Romania's gross and persistent human rights abuses include the case of Arpad Visky who was found dead on January 5, 1986. A Declaration by Participants of the PEN Congress held in New York in January protested his death as follows:

> Arpad Visky -- a foremost actor and cultural figure of Rumania's 2.5 million strong Hungarian minority -- on January 5, 1986, was found dead by hanging in a forest outside the Transylvanian town of

> Sfintul Gheorghe (in Hungarian: Sepsiszentgyorgy). Following a lengthy imprisonment on political charges, he had been granted amnesty on September 7, 1984, but was banned from appearing on any stage in Rumania. Constrained to work as an unskilled laborer, Visky applied to emigrate to Hungary. During the weeks prior to his death, Visky complained of official efforts to hinder his emigration, telling his relatives and friends: "I know too much. What they fear is that once I'm out, I'll tell about the torture, the harassment and intimidation, the humiliation..." According to relatives of the deceased, and the medical report of his death, Visky's body was found by a policeman, minutes after the onset of death. Friends and relatives said the tragedy was totally unexpected, and the circumstances highly suspect.

Other cases of deplorable practices include the continued imprisonment of Erno Borbely and Laszlo Buzas because of their suspected role in smuggling copies of anti-Hungarian fliers printed with the acquiescense of the government out of Romania. Both have been sentenced to six years imprisonment for "treason." The Romanian authorities reportedly severely tortured Laszlo Buzas by ripping out his fingernails.

Another of the many examples of persecution is that of Bela Pall who is thought to be held in a psychiatric ward of a prison hospital after his legal visit to Hungary in or about April, 1983. He has been committed to psychiatric institutions on several occasions in the past after openly criticizing the elimination of Hungarian educational opportunities in Romania.

An instance of shocking profanity involved 20,000 Bibles donated by the World Reformed Alliance to the Transylvanian Magyar Reformed Church which never reached their destination because they were diverted to Braila for recycling into toilet paper. The recycling process, however, left clearly legible Biblical words in the Hungarian language in the tissue. The Wall Street Journal, June 14, 1985.

The Romanian authorities have become so brazen that they even harass and intimidate foreign tourists who visit Hungarians in Romania. For instance, Zsolt Szekeres, a United States resident, recently visited Transylvania and met with a number of Hungarian intellectuals. Subsequently, he was detained by the police who deprived him of his passport and falsely accused him of having been involved in an accident. After being forced to spend the night in Tirgu Mures, Szekeres was interrogated for over seven hours concerning his contacts in Romania and Washington, D.C. During this interrogation, the police threatened him with physical violence.

Whether it is Romania's treatment of minorities, religious groups, intellectuals or would be emigrants, the stark reality is that instead of improving, the state of human rights in Romania has deteriorated during the period it has enjoyed the benefits of MFN. Applying the first criterion articulated by Vice President Bush, it is clear that modification of our policy toward Romania is overdue.

THE INSIGNIFICANCE OF ROMANIA'S SO-CALLED INDEPENDENT FOREIGN POLICY MANDATES SUSPENDING MFN TO ROMANIA

The second criterion -- independent foreign policy often is cited as justification for extending MFN to Romania. Although Romania may have on occasion pursued policies which tweaked the Soviet Union, it remains "landlocked" by "fraternal socialist states" and is acutely aware of the limits of its "independence." To the extent Romania enjoyed some leeway vis-a-vis Moscow, it was due to its geographical location, the internal repression of human rights and insistence on orthodoxy which preclude liberalizing trends that could threaten the existing social order and spill over to "infect" its neighbors, and by virtue of its ability to export oil. As Romania has become more dependent on Soviet energy supplies, its limited "independence" has become even more circumscribed. For instance, although in 1968 Ceausescu was absent from the Warsaw Pact summit meetings preceding the Soviet led military intervention in Czechoslovakia, during the December, 1980 Warsaw Pact meeting in Moscow, he "bitterly attacked the establishment of new independent [labor] unions in Poland," and harshly criticized the Polish government's handling of the labor union crisis. "Romania and Yugoslavia: Two Views of Communism," The Washington Post, January 13, 1981.

In addition, Romania's actual policies have not clashed with significant Soviet objectives. Its "independence" has been overvalued in the West and shrewdly exploited by Ceausescu. Even the mass media is beginning to realize the illusory nature of Romania's "independent" foreign policy. As noted by The Economist on September 1, 1984:

> Rumanians know the geopolitical realities. As an exporter of oil in the years after 1945, Rumania could afford to have real arguments with Moscow. Now, with Soviet oil and gas needed to fulfill even its modest growth plans, its claims to an "independent" foreign policy looks more and more like an attempt to dazzle the west -- and distract the people at home. (Emphasis added.)

More importantly, Romania's policies often are contrary to Western and United States interests. For example, Romania actively supports Marxists and other radical groups throughout the world. Ironically, in 1984 the Soviet Union voted on more occasions with the United States in the United Nations (13.2%) than did Romania (10.1%). Romania even resorts to assassination, e.g., the attempt on Paul Goma in Paris and the assassination of Emil Georgescu in Munich.

Thus, given Romania's closed and brutally repressive society as well as its over-emphasized but insignificant "independent" foreign policy, it should not be granted MFN, absent steps demonstrating respect for minimal standards of human rights. The MFN leverage will become nonexistent (and our policy of differentiation will be discredited) if we fail to exercise it when circumstances, such as those existing in Romania, call for its application. It is not only naive to assume that continued trade benefits without anything more will somehow enhance human rights in Romania and our national selfinterest, it is also contrary to the facts. As noted above, Romania's human rights record has grown worse despite MFN. When the United States finally exercised its MFN leverage in 1982 by threatening to withhold trade concessions unless Romania abolished its "emigration tax," Romania responded by rescinding that abominable decree.

Over the years, we have signaled our displeasure with Romania's dismal human rights record to no avail. For instance, the annual MFN hearings before the Senate's Subcommittee on International Trade of the Committee on Finance and the House of Representatives' Subcommittee on Trade of the Committee on Ways and Means, have been characterized by somber pronouncements that Romania's unacceptable and worsening human rights record would have to improve. That scenario has been repeated every year with the Romanian government fully realizing that our expressions of displeasure were hollow. Romania brazenly continued to be unresponsive to our expressions of concern (except in connection with the emigration tax when we threatened to actually suspend MFN) and persistently and egregiously violated standards of human rights. In light of Romania's record, it is time to exercise the MFN leverage and modify policies that presumably are still in place because of bureaucratic inertia.

CONCLUSION

In conclusion, reaffirmation and application of our policy of differentiation mandates that MFN at least be suspended until Romania takes concrete measures to improve its human rights record.

0428m

COMMITTEE OF TRANSYLVANIA, INC.

Founded 1956

LOUIS L. LÖTE,
P.O. BOX 10069
Rochester, N.Y. 14610
Telephone: (716) 288-2014

Central Office:
2808 East 124th Street
Cleveland, Ohio 44120

STATEMENT
OF
LOUIS L. LOTE
PRESIDENT, COMMITTEE OF TRANSYLVANIA, INC.

Prepared for the
SUBCOMMITTEE OF INTERNATIONAL TRADE
of the
COMMITTEE ON FINANCE
UNITED STATES SENATE

SUBJECT:
MOST-FAVORED-NATION TARIFF STATUS
FOR RUMANIA

JULY 25, 1986

COMMITTEE OF TRANSYLVANIA, INC.

Founded 1956

LOUIS L. LOTE, President
216 Yarmouth Road
Rochester, NY 14610
Telephone: (716) 288-2014

Central Office:
2808 East 124th Street
Cleveland, Ohio 44120

Mr. Chairman:

The extension of Rumania's most favored nation status for another year has never encountered so much opposition as this year. It seems that the never ceasing and increasing violations of human rights by the Rumanian government, which is the main characteristic of that regime, permeated the minds of a larger segment of the American public than ever before. Over the years it became more and more obvious that the Trade Act of 1974 narrowed down the intended effect of the law to the benefit of a relatively small section of the population of Rumania, to those wanting to emigrate, but "largely neglected the plight of those who do not even think of leaving the ancestral land", which is the overwhelming majority. (The quotation is from the editorial of the December 1975 issue of the Carpathian Observer, the periodical publication of the Committee of Transylvania). The editorial further suggests that the legislators "should lend an ear to both groups, /the emigrants and non-emigrants/ and act on their behalf dividing their attention and care more equitably".

In the last few years, but particularly since 1985, sentiments grew against Rumania in the U.S.A./ the euphoria at the Olympic games faded out fast and could not stand up for Rumania's benefit in view of the repressive domestic policy of that country/.

Persecution of the unrecognized religious denominations, (and also of those recognized) by the Rumanian government, became too much to bear for the coreligionist of the United States. The newest radical measures in the process of denationalization of the national minorities alarmed human rights organizations and rallied many U.S. legislators, representatives and senators, to condemn Rumanian repressive treatment of minorities in several resolution demanding suspension of the favorable tariff rates. Patriotic organizations joined in the demands and pointed out that American-Rumanian trade resulted a huge deficit for our country, in the amount of about 80% Rumania's import to the U.S. as against 20% American export to Rumania.

The question is in order: why our administration insists to a good relation with the country which is not only communist governed, but also the most repressive country among all the satellites countries, and why does it not react on Rumanian human rights violations energetically which would be commensurate with the prestige and power of the United States.

We are often reminded that the power of the United States to enforce his legitimate wishes in a foreign country is limited. Therefore we should not expect too much. We, however, believe that the limitations of this power also depend on the firmness of our intervention.

We do not advocate the cessation of our present relation with Rumania if this good relation in the interest of our country. But many examples show that national interest is seen differently by different people, or political parties, and we are not the one who understands the real reasons of having, and even bettering this relation, as Secretary of State Schultz expressed his wish to President Ceausescu last December in Bucharest.

We do not attribute too much significance to the attitude of President Ceausescu criticizing not only the United State but also the Soviet Union. As long as he does not hurt genuine Soviet interest, the Kremlin let him speak what ever he wants. And there is no indication that Rumania's so called independent foreign policy does harm the interests of the Soviet Union. On the contrary, it seems that Rumania acts with the full approval of Moscow and misleads American government circles. There are reports on the Rumanian role of passing Western technology to the Soviet Union in which Rumania is acting as a transfer station.

But our knowledge about American foreign policy toward the Soviet block is limited. We can only guess and draw conclusions from news such as the visit of the American Chairman of the Joint Chiefs of Staff in Bucharest in March 1985. (Our source, the Frankfurter Allgemeine Zeitung stated that "it happens very seldom that high-ranking members of the western military visit a country in the Eastern Bloc.") Presidents Nixon and Ford amicable visits to Rumania clearly indicated an extraordinary U.S. interest in Rumania which was considered as a break through into the Soviet Block seen that time as a monolithic, united entity approachable through the Kremlin only. Whether the Rumanian connection yielded the benefits which was expected from it, it remains a question for us.

Our experience of many years with Rumanian dealing with foreign policy affairs convinced us about the duplicity of the Rumanian communist diplomacy. It has simple but solid rules:

1/ Not to admit any shortcomings or blames for Rumanian domestic policies but vehemently deny them,

2/ If the facts are so clear that denial is impossible, invent a credible sounding motivation which is suitable to render the unacceptable facts understandable and acceptable, and assert it firmly.

3/ Promise change if there is no other way out but do not fulfill your promise,

4/ Find the right answer always for propaganda purpose, making believe that

Rumania is a progressive, "perfect" country, the guardian of human rights and the people's interests,

5/ Declare readiness for cooperation with the U.S.A. and other western countries even if you do not want to cooperate, and if you actually will not cooperate,

6/ Concerning the national minority policies of Rumania the number one rules is: to deny that any problem exists. On the contrary, simply declare that the national minorities/ Hungarians, Germans, Jews, Gypsies, etc./have never had so good as under the Ceausescu regime. If you need proof for your points, use suitable statistical data which mislead the uninformed listener. /One does not have to be cynical to know that statistical data can be used to prove and disprove the facts if taken differently out of context./

As the name of our organization clearly indicates we are concerned with Transylvania and in it with the population which, as the largest national minority, bears the brunt of the suppressive Rumanian minority policies.

Our concern is wholly justified because the Ceausescu regime seems to have decided to liquidate the 2.5 million strong Hungarian community of Rumania concentrated in the formerly Hungarian province of Transylvania. Some of the latest measures of this decision are:

1/ The complete elimination of Hungarian highschools and the Hungarian section of the only Transylvanian university in Kolozsvar /in Rumanian Cluj-Napoca/. This university was created by the forcible merger of the Hungarian and Rumanian universities in 1958 with the Rumanian pledge that the two sections of the new institution will be completely equal branches. The pledge was not kept. Today, only the Hungarian language and literature is taught in the Hungarian section. But what is even more outrageous, the graduates of the Hungarian language section are put to work in completely Rumanian inhabited province of Moldavia and Hungarian schools in Transylvania have about 200 vacancies in teachers.

2/ The complete elimination of the Hungarian language from official use in spite of constitutional assurances to the contrary. Lack of any degree of bilingualism.

3/ Discontinuation of individual tourist traffic between Hungary and Rumania; only organized groups may go to Hungary or are accepted from Hungary in Rumania. One of the most elementary human rights to travel is violated by the new restrictions.

4/ Discontinuation of television and radio broadcasts in the languages of minorities, Hungarian, German.

5/ Beating up, imprisoning and even murdering Hungarians by the police force is in the increase:

Rev. Geza Palfi, Roman Catholic priest arrested, tortured and beaten up so that he died from the injuries suffered. His "crime" was that in his Christmas sermon, Rev. Palfi complained about making Christmas day a regular working day in Rumania. /1984/

Arpad Visky, actor harassed and imprisoned, when released he was barred by Rumanian authorities to play in Hungarian theaters. Recently his hanged dead body was found by the police - a few minutes after he died according to medical opinion. Suspected is he was murdered by the police. /1986/

Zoltan Olah, a resident of Kolozsvar/Cluj/ was beaten to death by the Rumanian police for a kilogram/about two pounds/coffee at the police headquarters. /1985/.

Rev. Janos Cselik's a Hungarian Roman Catholic priest of Nagyvarad/Oradea/ both hands were broken by Rumanian police at a hearing so severely that a month afterward he still was under medical care. The police pressed him, under threat, to give information about the Catholic hierarchy and his parish members. As he was not willing to denounce members of his congregation, the police started to beat him.

Bela Pal, a mathematic teacher, has suffered a complete mental collapse in prison, as a result of his unusually severe treatment there. Following his return from Hungary in March 1983, where he attended the poet Gyula Illyes' funeral, he was harassed, frequently interrogated by the police, then arrested and in a secret trial he was sentenced to 6 years in prison.

These cases are but a sampling of atrocities committed by the Rumanian police. Many other Hungarian people, among them writers, poets, ministers, priests, local spiritual leaders were submitted to house searches, harassments and police brutality. Mentioning their cases would be too much to this report.

Transylvanian Hungarians have many more grievances but we listed only a few of them in our report.

A person not familiar with the spirit prevailing in the Carpathian Basin and surroundings may ask what is the reason for the mistreatment of Hungarians and other minorities in Rumania.

Of course, we do not know the answer, as we have no chance to discuss this problem with the Rumanian dictator, Mr. Ceausescu or some other high ranking officials of his regime. The foreign policy maker officials of our government could do that if they wanted to. But we have some ideas about it as our interpretation and we believe in it.

The number one reason according to our thinking is good old, old fashioned and in many countries already outmoded nationalism. Mr. Ceausescu is as we see him an ultranationalist dictator who wants to make Rumania a great country and the Rumanians a great nation, much greater than these are now. For this reason he also wants to transform his multinational country into a "unitary" /one nation/country where every inhabitants are ethnic Rumanian. Who are in the way of his grandiose project of pure Rumanian Rumania? Of course, the Hungarians, Germans and other minorities of Rumania. But Hungarians of Transylvania, Slovakia and Yugoslavia are the same Hungarians who populate Hungary, they are one nation having the same language, culture, history and aspirations. It is no wonder that these Hungarians who lived together in the same Hungarian kingdom for more than one thousand years, want to remain Hungarian no matter where they live in the former territory of Hungary in that last 65 years since the Trianon peace treaty which drew the new state borders over their head. Any other nations would want to preserve their identify the same way as Hungarians want to.

Whether Mr. Ceausescu realizes the wishes of the Hungarian community or not, it does not matter too much, because he still wants to pursue his nationalistic ideas of a unitary state. As a communist dictatorship the Rumanian government, having all the power of the state in one hand, the hand of the dictator and the Party, is in the position to carry out forcibly practically all his ideas. An because no other ideas, organizing or activity may be carried out without the approval of the central government, there is no way how the Hungarian community could defend itself from the forcible denationalization process, except with passive resistance. But that does not solve the lack of Hungarian schooling, the Rumanianization of solid Hungarian districts, the communication with neighboring Hungary.

It is evident that the Transylvanian Hungarians need outside help in their struggle for their human and national rights. In the last many years Transylvania and human rights oriented organizations successfully made the Department of State and large number of U.S. legislators acquainted with the minority problems of Rumania. Our thanks and appreciation goes out to those members of Congress who initiated and became signatory of numerous resolutions on behalf of the Transylvanian Hungarians, including the recent Senate Resolution 372 which tells the Rumanian government that it should consider taking actions in the light of congressional concern and the Berne Human Contacts Expert Meeting of Helsinki signatory states:

> "/4/ Improve relations with ethnic minorities, including those of Hungarian, German, Gypsy, and Jewish descent, among others, particularly with regard to the safeguarding of cultural rights. Issues of concern include continued access to education in national languages, the retention of national libraries and museums, and university and secondary education in minority culture, language, and history."

A special thanks is due for those three U.S. representatives who wrote President Reagan May 1 urging him to suspend the Most Favored Nation trade status because of the human rights abuses in Rumania.

On the part of the Department of State we appreciate Ambassador Schifter's/now Assistant Secretary of State for Human Rights and Humanitarian Affairs/ statement included in his plenary speech at the Ottawa human rights conference: "We strongly believe in the protection of the cultural rights of the Hungarian minority in Rumania.. That will have to be an essential element of any bilateral human rights discussions." I strongly hope that the same feeling about the Hungarian minority prevails in the political wing of the State Department and will be expressed on the highest level of the Department in the not too distant future. We are convinced that high level intervention is the missing link in our struggle for protecting Hungarians from "cultural genocide" in Rumania.

In private talks in Ottawa, Mr. Schifter attempted to convince the Rumanian representatives that "fundamental social and societal problems exist within Rumania in the area of minority rights". He stressed that "the basic issues are societal and cultural but not territorial."

Here we insert another possible cause of suppression of Hungarians in Rumania. It appears to us that the Rumanian government and people are still not sure of their possession of Transylvania. They may feel so because the over one thousand year while Transylvania was an organic and original part of Hungary might seem overwhelming against the mere 66 years of Rumanian rule. They may be afraid that Transylvanian Hungarians wish to leave under Hungarian rule in Transylvania. Even though there is no wish expressed by Transylvanian Hungarians, and for that matter, there is no known activity within the emigration for the revision of the Trianon /1919/ and the Paris /1947/ peace treaties, Rumanian authorities often accuse Hungarians in Transylvania of working for revision. Typically to Rumanian attitude those accused usually requested only the revival of Hungarian schools, or Hungarian classes which requests have nothing to do with revision.

On account of the accelerated and drastic curtailments of Hungarian schooling, other human rights abuses by the Rumanian communist government, and the large trade deficit we oppose extension of the Most Favored National trade status for Rumania for one year, subject of recovering it to Rumania upon fulfillment of certain conditions to be monitored and verified by a U.S. delegation. Among conditions we list:

a/ Religious freedom for the non-recognized denominations as well as the 14 recognized denominations many of which are still harassed and strictly controlled by Rumanian central and local authorities.

b/ Discontinuation of suppression of minority cultures, foremost that the largest Hungarian minority. Concrete steps should include:

- reestablishing the Hungarian University in Kolozsvar/Cluj-Napoca/,
- restarting Hungarian high schools converted lately to Rumanian schools.
- discontinue the practice of placing Hungarian university graduates into pure Rumanian districts instead of Hungarian districts, particularly graduates from Hungarian language and literature, which is not taught in Rumanian districts.
- raise the number of admissions to the Protestant Theology to a level which covers vacancies.

As far as we know, President Reagan in his transcript to the Congress raised the possibility of suspending MFN for Rumania on religious base. For benefiting the suppressed minorities we urge the Department of State that suspension of MFN be based on human rights abuses of minorities, too, and this should be disclosed to the Rumanian government.

We are afraid that official silence about minorities could be interpreted by the Rumanian government as a green light to go on with the process of denationalization.

Holstein Association

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July 14, 1986

International Trade Subcommittee
U. S. Senate Committee on Finance
Room SD-219 Dirksen Senate Office Building
Washington, DC 20510

Gentlemen:

It is my privilege on behalf of the 50,000 members of Holstein-Friesian Association of America to recommend and urge the continuation of Most-Favored-Nations (MFN) trading status for the Socialist Republic of Romania, the Hungarian People's Republic and the People's Republic of China. This recommendation is consistent with that made on behalf of the Association since each nation was granted such status in 1975, 1978 and 1980 respectively.

Having had market development relationships with each of these countries and given assistance to others marketing U. S. agricultural commodities and products in these countries, the Association is in a position to recognize the importance of MFN status to these countries as well as the economic and political benefits accruing to our country.

We urge the favorable consideration of the Committee to this recommendation which we are confident is supported by many other similarly involved organizations and individuals.

Sincerely,

Robert H. Rumler
Chairman Emeritus
rhr/lmw
cc: Betty Scott-Boom
Committee on Finance
Room SD-219 Dirksen Senate Office Building
Washington, DC 20510

Holstein-Friesian Association of America

Zaharia,CRAINICIUC
47-52,44th
SUNNYSIDE,NY 11104
Phone (718)937-3325
U.S.CITIZEN

To:
Mrs SCOTT,BOOM
U.S.SENATE COMMITTEE ON FINANCE
SENATE OFFICE BUILDING
U.S.SENATE
WASHINGTON D.C. 20510

Dear Mrs SCOTT BOOM,

I, the undersigned, Zaharia,CRAINICIUC,of New York City.-U.S.CITIZEN, participant to "THE TWENTY SECOND ROMANIAN HUNGER STRIKE FOR:FORCED SEPARATED FAMILIES REUNION IN The U.S.A. and for:THE RESTORATION OF HUMAN RIGHTS and of FREEDOM OF RELIGION in COMMUNIST ROMANIA"organised in Washington DC, on U.S.CAPITOL's steps, on the side of THE WHITE HOUSE and in fron of COMMUNIST ROMANIA's EMBASSY by Dimitrie G.APOSTOLIU of New York, -President of "THE AMERICAN-ROMANIAN NATIONAL COMMITTEE FOR HUMAN RIGHTS"-

1.- Please to approve that my written testimony to be printed in CONGRESSIONAL RECORD of U.S. SENATE COMMITTEE ON FINANCE, SUBCOMMITTEE ON INTERNATIONAL TRADE" OF JULY 28,1986, concerning "THE MOST FAVORED NATION's CLAUSE("M.F.N") STATHS TO COMMUNIST ROMANIA, and-

2.- TO BE SUSTAINED ON U.S SENATE FLOOR AT THE ABOVE MENTIONED HEARING BY Dimitrie G.APOSTOLIU ,Ph.D, of N.Y.- President of "THE AMERICAN-ROMANIAN NATIONAL COMMITTEE FOR HUMAN RIGHTS"- organiser, participant and spokesman of HUNGER STRIKERS.-

- DOWN TERRORISM!
- DOWN COMMUNISM!
- LONG LIVE TO FREEDOM!
- GOD BLESS AMERICA!

Respectfuly YOURS,

Zaharia Crainiciuc
Zaharia, CRAINICIUC,
U.S.CITIZEN

Zoltan,BODO
c/o MORARESCU Family
25-12,Stenway St#3D
ASTORIA,NY 11103
Phone(718)932-19o7

POLITICAL ASYLUM APPLICANT

To:
Mrs SCOTT BOOM
U.S.SENATE COMMITTEE ON FINANCE
359 Russell SENATE OFFICE BUILDING
U.S.SENATE
WASHINGTON D.C.20510

Dear Mrs SCOTT BOOM,

I, the undersigned Zoltan,BODO of New York City, -POLITICAL ASYLUM APPLICANT and participant to "THE TWENTY SECOND ROMANIAN HUNGER STRIKE FOR FORCED SEPARATED FAMILIES REUNION IN The U.S.A., and for:THE RESTORATION OF HUMAN RIGHTS and of FREEDOM OF RELIGION in COMMUNIST ROMANIA" organised by Dimitrie G.APOSTOLIU PhD. of New York City.President of: "THE AMERICAN-ROMANIAN NATIONAL COMMITTEE FOR HUMAN RIGHTS"-

1.- Please to approve that my written statement to be printed in CONGRESSIONAL RECORD OF U.S.SENATE COMMITTEE ON FINANCE,SUBCOMMITEE ON INTERNATIONAL TRADE of THE ORAL HEARING of JULY 28,1986,CONCERNING"THE MOST FAVORED NATION's CLAUSE STATUS("M.F.N") TO COMMUNIST ROMANIA,-and-

2.- TO BE SUSTAINED ON U.S. SENATE's FLOOR AT THE ABOVE MENTIONED ORAL HEARING BY Dimitrie G. APOSTOLIU of N.Y.-President of "THE AMERICAN-ROMANIAN NATIONAL COMMITTEE FOR HUMAN RIGHTS"-organiser, participant and spokesman of HUNGER STRIKERS.-

- DOWN TERRORISM!
- DOWN COMMUNISM!
- LONG LIVE TO FREEDOM!
- GOD BLESS AMERICA!

Respectfuly YOURS,
Zoltan Bodo
Zoltan,BODO

Ilona.MANDI
Maiden Name:CIORA
98-51,65th Ave # 5E
REGO-PARK,NY 11.347
Phone(718)896-3483
U.S.CITIZEN

To:
Mrs. SCOTT BOOM
U.S.SENATE COMMITTEE ON FINANCE
315DIRKSEN SENATE OFFICE BUILDING
U.S.SENATE
WASHINGTON D.C. 20510

DEAR Mrs. SCOTT BOOM.

I, the undersigned, Ilona MANDI of New York city, U.S. CITIZEN,

participant to "THE TWENTY SECOND ROMANIAN HUNGER STRIKE FOR: FORCED SEPARATED FAMILIES REUNION IN The U.S.A. and for:THE RESTORATION OF HUMAN RIGHTS and of FREEDOM OF RELIGION in COMMUNIST ROMANIA"organised in WASHINGTON D.C. on U.S. CAPITOL's steps, on the side walk of THE WH HOUSE and in front of COMMUNIST ROMANIA's EMBASSY,by Dimitrie G.APOSTOLIU Ph.D, of New York City, President of "THE AMERICAN-ROMANIAN NATIONAL COMMITTEE FOR HUMAN RIGHTS"-
1.- Please to approve that my written statement to be printed in CONGRESSIONAL RECORD OF U.S.SENATE COMMITTEE ON FINANCE,SUBCOMMITTEE ON INTERNATIONAL TRADE of JULY 28,1986 concerning "THE MOST FAVORED NATION's CLAUSE STATUS ("M.F.N") to COMMUNIST ROMANIA,- and-

2.- TO BE SUSTAINED ON U.S. SENATE FLOOR AT THE ABOVE MENTIONED ORAL HEARING by:Dimitrie G. APOSTOLIU,Ph.D of New York City.-President of " THE AMERICAN-ROMANIAN NATIONAL COMMITTEE FOR HUMAN RIGHTS"-organiser. participant and spokesman of HUNGER STRIKERS!

- DOWN TERRORISM!
- DOWN COMMUNISM!
- LONG LIVE TO FREEDOM!
- GOD BLESS AMERICA!

Respectfuly YOURS,
Ilona Mandi
Ilona,MANDI
U.S.CITIZEN

Ecaterina,IONESCU
30-08,73rd St
JACKSON HEIGHTS
NY,11370
Phone(718)424-1987

To:
Mrs. SCOTT BOOM

U.S.SENATE COMMITTEE ON FINANCE
315 DIRKSEN SENATE OFFICE BUILDING
U.S.SENATE
WASHINGTON D.C.20510

Mrs SOOTT BOOM ,

I, the undersigned, Ecaterina,IONESCU of New York city, a PERMANENT RESIDENT of The USA,- participant to "THE TWENTY SECOND ROMANIAN HUNGER STRIKE FOR: FORCED SEPARATED FAMILIES REUNION IN THE USA and for:THE RESTORATION OF HUMAN RIGHTS and of FREEDOM OF RELIGION in COMMUNIST ROMANIA" organised in Washington DC, on US CAPITOL's steps, on the side walk of THE WHITE HOUSE, and in front of COMMUNIST ROMANIA's EMBASSY,-
1.- PLease to approve that my written testimony to be printed in THE CONGRESSIONAL RECORD of THE ORAL HEARING OF JULY 28,1986 of US SENATE COMMITTEE ON FINANCE, SUBCOMMITTEE OF INTERNATIONAL TRADE, concerning

"THE MOST FAVORED NATION's CLAUSE STATUS("MFN")TO COMMUNIST ROMANIA-and-
2.- TO BE SUSTAINED ON U.S. SENATE's FLOOR AT THE ABOVE MENTIONED ORAL HEARING BY Dimitrie G. APOSTOLIU,Ph.D,;-President of "THE AMERICAN-ROMANIAN NATIONAL COMMITTEE FOR HUMAN RIGHTS"-organiser,participant and spokesman of HUNGER STRIKERS.-
- DOWN TERRORISM!
- DOWN COMMUNISM!
- LONG LIVE TO FREEDOM!
- GOD BLESS AMERICA!

Respectfuly YOURS

Ecaterina Ionescu

Ecaterina, IONESCU
PERMANENT RESIDENT of The USA

MRS. BETTY SCOTT BOOM
FINANCIAL COMITEE OF THE SENAT
WASHINGTON D.C. 20510
(202) 224 4515

MIHAI CONSTANTINESCU
2010 CRANFORD #30
GARLAND, TX 75041.
(214) 864 1140

07. 21, 1986

DEAR MRS BETTY SCOTT BOOM,

I'M WRITTING ON THE ISUE OF THE EXTENTION OF THE TRADE STATUS OF MOST-FAVORED NATION TO ROMANIA FOR THE ELEVENTH YEAR.

IT IS TRUE THERE ARE A LOT OF HUMAN RIGHTS ABUSES IN THE COUNTRY I'M FROM, BUT IT IS ALSO TRUE THAT IF U.S. GOVERNMENT WOULDN'T HELP THE ROMANIANS - THE PEOPLE, NOT THE GOVERNMENT - THIS WAY IT WOULD BE WORSE AND WORSE FOR THEM.

ALSO THINK IT'S NECESSARY NOT TO GIVE THE STATUS OF MOST FAVORED NATION PERMANENTLY AND TO PUT IN QUESTION ITS EXTENTION EVERY YEAR DETERMINING IN THIS WAY THE ROMANIAN GOVERNMENT TO CHANGE HIS MIND WITH AT LEAST SOME OF THEIR POLITICAL, RELIGIOUS AND CULTURAL CASES OF TORTURE, ABUSE, IMPRISONMENT, EVEN THE GOVERNMENT NEVER WILL ALOW 'TO SEEK, RECEIVE AND IMPART INFORMATION AND IDEAS REGARLESS OF FRONTIERS' AS A SLOGAN. AND I KNOW THERE WILL NEVER BE A REAL FREEDOM.

GOD BLESS YOU, AND GOD BLESS AMERICA,

SINCERLY,

Miha Constantinescu

BEFORE THE
SUBCOMMITTEE ON INTERNATIONAL TRADE
COMMITTEE ON FINANCE

WRITTEN STATEMENT
OF
RUTH NOBLE GROOM
ON
MOST-FAVORED-NATION STATUS FOR ROMANIA

AUGUST 14, 1986

As President of Noble Trading Company, Inc., and Vice Chairman of American Businesses for International Trade (ABIT), I am pleased to submit my views to the Subcommittee on the impact of Most-Favored-Nation (MFN) status for Romania, particularly on small businesses in the United States.

At the outset, it should be emphasized that revocation of MFN would be disasterous for my company and for many of the approximately one hundred other small businesses trading with Romania. If MFN were not in effect, my company would engage in no trade whatsoever with Romania, and I think the result would be the same for many other small companies. Furthermore, I believe that revocation of MFN status would substantially negate the progress the U.S. Government has made thus far in its relations with Romania regarding international economic policy, foreign policy, and human rights and religious matters.

U.S. Small Businesses Trading with Romania

Noble Trading Company, Inc. is a District of Columbia corporation, with its headquarters in Alexandria, Virginia. The company was founded in 1977 primarily to engage in importing from the People's Republic of China. Since then our business has expanded to include substantial barter and countertrade operations in Eastern Europe. For the past three years we have been trading U.S. cotton and coal to Romania in exchange for wood, paper, and metal products. This business amounted to about $8 million over the past year.

Besides Noble Trading Company, there are approximately one hundred other small U.S. companies trading with Romania. Most of these are importers of Romanian products such as luggage, furniture, foodstuffs, clothing and textiles, and chemicals. For many of these companies, trade with Romania is their primary, if not sole, business. As explained below, if the United States does not maintain trade relations with Romania on an MFN basis, many of these companies could be forced out of business.

Effect of MFN Status on International Trade

Pursuant to section 402 of the Trade Act of 1974, Pub. Law 93-618, the President extended MFN status to Romania in 1975. That status has continued in effect each year, enabling imports from Romania to enter the United States at the lower "Column 1" duty rates. Imports from non-market economies are ordinarily subject to the much higher "Column 2" duty rates.[1] Certain imports from Romania enter the United States duty-free under the Generalized System of Preferences. As a result of the restoration of MFN status to Romania by the United States, total trade between the two countries has tripled, from about $450 million in 1976 to $1.2 billion in 1984.[2]

1. Effect on Imports

If MFN status were to be revoked, the tariffs on imported Romanian goods would snap back to the sharply-higher Column 2 rates. Furthermore, Romania would lose its GSP status, since the President may not designate Communist countries as "beneficiary developing countries" eligible for GSP status unless they have MFN status. 19 U.S.C. 2462.

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[1] The imports of countries with MFN status are dutiable at Column 1 rates, which reflect substantial tariff concessions negotiated within the framework of the General Agreement on Tariffs and Trade (GATT), instead of the Column 2 rates, set by law in 1930 which are generally significantly higher. Thus, except when Column 1 and Column 2 rates are the same or items are admitted duty-free, MFN status confers economic advantages.

[2] *MFN Status for Hungary, Romania, China, and Afghanistan: Hearing Before the Subcomm. on Inter. Trade, Comm. on Finance*, 99th Cong., 1st Sess. 229 (Statement of Dep. Asst. U.S. Trade Rep. Ralph R. Johnson, July 23, 1985).

The adverse impact on small businesses importing from Romania would be enormous. According to the Department of Commerce, the competitiveness of ninety percent of the goods Romania now sells in the United States would be adversely affected by the termination of Romania's MFN status.[3] Furthermore, the impact would be disproportionately harsh for small businesses, since many of them depend heavily on trade with Romania for their livelihood.

As I have said before, Noble Trading Company's import business with Romania would essentially be wiped out. For example, all of the paper and wood products that Noble Trading Company imports from Romania are currently duty-free, either under GSP or under the Column 1 rates. If MFN status were not in effect, these products would be subject to tariffs ranging from 30-40% _ad valorem_ and, consequently, they would be uncompetitive in the _U.S. market_. The same result would obtain for a number of other small businesses. This situation would be bad enough in itself; what makes it worse, however, is that while many small U.S. importers would be driven out of business, U.S. producers of like products would not benefit. The Commerce Department's research indicates that Romanian products by and large do not compete with U.S. goods; Japan, Taiwan, South Korea, Italy and West Germany would gain the bulk of Romania's lost U.S. markets.[4] I personally can't understand the wisdom of harming U.S. small businesses to benefit foreign suppliers such as those described above.

2. _Effect on U.S. Exports_

Revocation of MFN status would also have a disruptive effect on U.S. exports to Romania. Although U.S. exports make up only about 20% of the bilateral trade, these exports mainly consist, significantly, of machinery, transportation equipment, mineral fuels, e.g. coal, and agricultural products, such as soybeans and corn.[5] This trade could dry up and cause serious up injury to farmers, miners and blue-collar workers who have already been hard-hit the past few years. There are three simple reasons for this. First, U.S. exports to Romania receive MFN treatment, since Romania is a member of the GATT, having joined in 1971. Under GATT rules, Romania would be entitled to withdraw MFN status from the United States if we withdrew MFN status from Romania.

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[3] _Continuation of the President's Authority To Waive the Trade Act Freedom of Emigration Provisions: Hearing Before the Subcomm. on Inter. Trade, Comm. on Finance_, 98th Cong., 1st Sess. 39 (Statement of Dep. Asst. Sec. of Commerce for Europe Franklin J. Vargo, Jul. 29, 1983). This statement was repeated by Mr. Vargo in substance at the 1984 hearing. See fn. 4 _infra_.

[4] _Ibid._ at p. 39. _See also_, _Continuing Presidential Authority To Waive Freedom of Emigration Provisions: Hearing Before the Subcomm. on Inter. Trade, Comm. on Finance_, 98th Cong., 2nd Sess. 319. (Statement of Dep. Asst. Sec. of Commerce for Europe Franklin J. Vargo, Aug. 8, 1984).

Second, it is the policy of the Government of Romania to purchase goods from the countries to which it sells.[6] In fact, Romania has been favoring imports from the United States,[7] at the expense of mutual trade with other Eastern European countries and the Soviet Union.[8] It seems to me that it would be difficult, if not impossible, for the Government of Romania to continue this policy if the United States were to revoke its MFN status.

Third, Romania has used the earnings from its exports to the United States to expand its imports from the United States.[9]

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[5] 45th Quarterly Report to the Congress and the Trade Policy Committee on Trade Between the United States and the Nonmarket Economy Countries During 1985 (USITC Pub. 1827, Mar. 1986 at pp. 73, 97).

[6] Vargo testimony before the Finance Committee in 1985 at p. 241. See fn. 2 for cite.

[7] Idem.

[8] Eastern European Economies: Slow Growth in the 1980's: Volume 2, Foreign Trade and International Finance. Selected Papers Submitted to the Joint Economic Comm., 99th Cong., 2nd Sess. (Poznanski Paper at p. 63).

[9] Vargo testimony in 1985 at p. 241.

Also, Romania has used these hard currency earnings to repay financial obligations to the U.S. Government and private western banks and commercial suppliers.[10] Without export earnings on sales to the United States, Romania simply would have no hard dollars to pay for U.S. goods and services.

3. Effect on Barter and Countertrade Activities

Romania has recently increased its countertrade requirements for Western suppliers in order to acquire capital goods for plant modernization without foreign exchange.[11] The reason for this is that Romania has a shortage of hard currency, having used what was available to pay off its foreign debt. This was accomplished by implementing domestic austerity measures and by taking direct action to limit non-essential imports.

Although countertrade requirements usually increase as hard currency supplies decrease, revocation of MFN for Romania would not benefit U.S. companies, such as Noble Trading Company, that are involved in countertrade with Romania. Normally, the only articles that are made available to satisfy countertrade requirements are those that are difficult to export. If Romanian goods were subject to the Column 2 duty rates, the goods offered for countertrade would not be difficult to sell; they would be impossible to sell. Consequently, U.S. exports to Romania would suffer proportionately.

4. Suspension of MFN Status

At the August 1 hearing, Representative Hall urged the Subcommittee to approve S. 1817, which is identical to the bill he introduced in the House, H.R. 3599, to suspend MFN status for six months. The apparent rationale behind the legislation is to put

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[10] Idem.

[11] 45th Quarterly Report at p. 73. For a description of Romania's countertrade policies, see USITC Pub. 1766, Assessment of the Effects of Barter and Countertrade on U.S. Industries, Oct. 1985 at p. 127.

Romania "on probation" and give it incentive to improve its performance with respect to religious freedom and human rights.[12]

Although this argument may be seductively appealing at first glance, on closer inspection it is very flawed, and just as damaging to business relationships as revocation of MFN. If Romania were to lose MFN status, customers of U.S. businesses would be forced to turn to other suppliers, and would not automatically return once MFN were restored, if ever. As Deputy Assistant Secretary of Commerce Vargo testified, "temporary suspension is no different than revocation."[13] The United States needs to enhance its reputation as a reliable trading partner, not degrade it.

Conclusion and Recommendations

I do not think it is appropriate for me to expand on the international economic policy, foreign policy and human rights reasons to maintain MFN status for Romania. These have been addressed in great detail by Administration and private sector witnesses in current and past testimony. However, I will observe that I believe the United States can accomplish its goals in these areas by keeping the doors open to trade and dialogue rather than closing the doors and breaking off relations.

For these reasons, I urge the Subcommittee to support continued MFN status for Romania. Revocation of MFN would be bad policy, with destructive results for U.S. small business.

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[12] Written Statement of Rep. Tony P. Hall, Aug. 1, 1986.

[13] Written Statement of Dep. Asst. Sec. of Commerce for Europe, Franklin J. Vargo, Aug. 1, 1986.

**NORFOLK
SOUTHERN**

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William B. Bales
Vice President
Coal and Ore Traffic

August 14, 1986

Committee on Finance
United States Senate
Dirkson Senate Office Building, Room 219
Washington, D. C. 20510

Re: S.1817- Suspending Most-Favored-Nation Treatment to Romania

Gentlemen:

It has come to our attention that the Committee on Finance is considering legislation that would suspend Romania's entitlement to most-favored-nation treatment. On behalf of Norfolk Southern Corporation, I write to urge that you not report such legislation favorably.

Norfolk and Western Railway Company, a subsidiary of Norfolk Southern Corporation, annually handles between 25 and 30 million tons of Appalachian coal for export, most over Pier 6, part of its Lamberts Point facility at Norfolk, Virginia.

Romania has been a long-time trading partner and has invested millions of dollars in partnership with American firms to develop high-quality United States metallurgical coal reserves. In 1986, Romania purchased approximately one million tons of coal from mines served by Norfolk and Western. Of that total, about 700,000 tons originated in Buchanan County, Virginia, an area already suffering from severe unemployment.

Admittedly, ending or suspending Romania's most-favored-nation status would not prohibit its continuing to take coal from United States sources such as the Appalachian Region. However, by increasing the duty on coal, the effect of the bill would be to make its delivered price to Romania higher than is now the case and would force that country to consider purchasing from other suppliers such as Colombia, Poland, Australia and South Africa -- with consequent loss of revenues to the Appalachian and national economies and loss of mining and railroad jobs.

Operating Subsidiaries: Norfolk and Western Railway Company / Southern Railway Company

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Moreover, suspension of Romania's most-favored-nation status will likely have very limited impacts, if any, on its internal practices. And, even if the suspension is of limited duration, it has the potential to do immediate harm in currently depressed areas of our country. Indeed, if it induces Romania to purchase its coal requirements from other nations, there is no guarantee at all that United States suppliers will be able to recapture the lost business when and if Romania's trading status is restored.

We believe the proposed legislation is not in this nation's best interest and respectfully request the members of the Committee on Finance to reject it.

Sincerely yours,

William B Bales

Statement of Norman Heller
President
PepsiCo Wines & Spirits International

August 1, 1986
Most Favored Nation Status for Hungary,
People's Republic of China and Romania

Mr. Chairman and Members of the Committee:

It is an honor to be here before you this morning, and I thank you for this opportunity.

My name is Norman Heller, and I am President of PepsiCo Wines & Spirits International. I am here today on behalf of PepsiCo, Incorporated, and two of its divisions, Pepsi-Cola International, which is responsible for our international soft drink operations and PepsiCo Wines & Spirits International, which is involved in the trading and marketing of wines and spirits worldwide.

In that capacity, I can state that PepsiCo expresses its strong support for the Administration's decision to continue in effect the waiver authority under Section 402 of the 1974 Trade Act to the Socialist Republic of Romania, the Hungarian People's Republic and the People's Republic of China.

PepsiCo is engaged in the sale of consumer products on a worldwide basis. In Eastern Europe, Pepsi-Cola and our other soft drinks constitute our major products for sale. Pepsi-Cola was introduced in Romania in 1965, twenty-one years ago. Today, the Romanians bottle Pepsi-Cola in three plants and distribute it widely throughout their country. Approximately five million 24-bottle cases or one hundred twenty million bottles of Pepsi-Cola will be sold in Romania this year. We opened the Hungarian market in 1968. Today there are seven plants which will provide nearly thirteen million cases of Pepsi for consumption by Hungarians in 1986. The People's Republic of China is a new market for PepsiCo, opened just five years ago. But there already are two Pepsi plants which will produce more than four million cases this year, and we expect to see substantial growth in the soft drink and food service sectors over time.

We, at PepsiCo, strongly believe that building bridges of trade is an important step in developing international understanding and peaceful relations throughout the world. Such business relationships are a vital means of sustaining open lines of communcation and improving cultural, political and personal understanding. We also believe that maintaining Most Favored Nation status is crucial to the continuing economic stability and the future economic growth of these business relationships.

I would like to focus for a few moments on Romania -- our oldest trading partner in Eastern Europe. Since 1965, our business with Romania has continued to grow. The basis for our business operations in Romania is a licensing arrangement. Both PepsiCo and the Romanian government view this arrangement as a shared investment working toward mutual profit and stability.

Romanian wines were introduced in the United States in October 1976, under the trademark Premiat. This has proven to be a success in that the U.S. consumer has been provided with wines of outstanding quality at good value. The result on our side is that PepsiCo earns profits on the sale of both products.

Prior to the granting of Most Favored Nation status to Romania in 1975, there was only one plant in Romania producing Pepsi-Cola. Since 1975, two additional plants have opened and our business has more than doubled. In addition, since Romania received Most Favored Nation treatment, PepsiCo has developed a profitable business supplying high quality Romanian wines to U.S. importers.

I can state as an international executive and as a U.S. citizen that in my company's dealings with the various ministries and trade enterprises of Romania, we have been impressed with their good will, sincerity, and cooperation in our joint commercial relationships, both in the areas of their purchases of Pepsi-Cola from us and their sale of wine in the United States.

For all these reasons, PepsiCo strongly supports the extension of Most Favored Nation status for Romania, Hungary and the People's Republic of China. We believe the Administration's recent decision makes solid sense from an economic standpoint, and from a public policy standpoint as well. We very much hope that this action will receive strong Congressional support.

Mr. Chairman, I thank you for the opportunity to appear here today. I would be pleased to answer any questions the Committee may have.

STATEMENT
on the
MOST-FAVORED-NATION TARIFF STATUS
for ROMANIA
before the
SUBCOMMITTEE ON INTERNATIONAL TRADE
of the
COMMITTEE ON FINANCE
by
Milton F. Rosenthal
U.S. Chairman
Romanian-U.S. Economic Council

August 1, 1986

Mr. Chairman, I am Milton F. Rosenthal, retired Chairman and Chief Executive Officer of Engelhard Minerals and Chemicals Corporation. Since 1975, I have served as the U.S. Chairman of the Romanian-U.S. Economic Council. It is in this latter capacity that I am appearing today.

The Council was an early proponent of normalizing trade relations with Romania and gave its support to the negotiations that resulted in the 1975 signing of the Agreement of Trade Relations between the United States and Romania. The Agreement, together with its provision on most-favored-nation (MFN) tariff treatment, has been a critical element in the bilateral relationship for the last eleven years.

I am pleased to be able to appear here today in support of the President's decision to extend for an additional twelve months MFN status to Romania. I would like to focus my remarks on the positive impact the Trade Agreement and its MFN provision have had on U.S. interests in Romania.

In the commercial field, the Trade Agreement has provided U.S. companies with important protections in such areas as property rights, business representations and capital repatriation. Such protections have provided our companies with the necessary leverage to resolve certain commercial problems that have confronted them.

The Trade Agreement, and in particular MFN, has provided the framework for a stable growth in trade between our two countries. In the late 1970s, U.S. companies won sizable contracts to provide the Romanians with capital equipment, manufactured goods and agricultural commodities. While Romania's financial difficulties have resulted in a significant decline in that country's imports from the West in recent years, we expect this situation to change as Romania's economy improves.

Because of the strong business relationships established in the 1970s, U.S. companies are well positioned to benefit from Romanian import requirements during the remainder of this decade, both with regard to spare parts and additional equipment needs. Indeed, U.S. exports for the first quarter of this year were double that of the same period in 1985. Romania's economic plans appear to provide significant export possibilities in such areas as energy equipment and technology, scientific measuring and automation equipment, certain consumer items, oil and gas exploration and recovery equipment, and agricultural chemicals.

Beyond the commercial sphere, MFN has been an effective tool for the United States in its dealings with the Romanians in the political field. In return in part for MFN, the Romanian Government has permitted significant numbers of its citizens to emigrate to the United States, the Federal Republic of Germany and Israel. Such permissions have been granted despite the fact that these emigrants have often come from the well educated ranks of society, citizens whose skills are needed in the country's industrial and scientific sectors.

Certainly more needs to be done in the humanitarian field, as the President pointed out in his report to Congress. MFN can provide an effective tool in this regard. However, it is extremely important that this tool be used carefully and in a focused manner.

As an example, two years ago the Romanian Government promulgated an educational tax on those wishing to emigrate. The impact of this tax would have been a drastic decline in emigration levels. Following a series of diplomatic initiatives between our two countries and a discussion at the highest level in which I personally participated at Romanian invitation, the Romanian Government concluded that the tax would be detrimental to the bilateral relationship and its ability to sell in the U.S. market and, therefore, decided that the tax would not be implemented.

More recently, we have seen the resolution of several humanitarian cases to which the Administration and certain Members of Congress had attached great importance. State Department Counselor Derwinski and U.S. Ambassador Kirk deserve thanks and congratulations for their diligence in this regard. Once more I took advantage of Romanian invitation to discuss these matters in person. The cases were ultimately resolved as a result of the effective use of the MFN leverage.

While our Council deals primarily with issues relating to the bilateral trade relationships between the United States and Romania, our American members are very much interested in the protection of human rights in all the foreign countries in which we do business. When we travel to these countries, we take with us our democratic ideals and human values. We have no sympathy with and do not condone violations of such values.

We believe that the very presence of American business representatives in countries which do not share our respect for the value of the individual, provides the citizens of such countries with excellent proof of the advantages of our form of society and government. Consequently, rather than discouraging U.S. business from operating in such countries, we believe our government should view U.S. business overseas as an important source of people to people contacts.

It has been proposed by some Members of Congress that Romania's nondiscriminatory tariff status be suspended or terminated. As a businessman with more than 40 years of experience in international trade, I can tell you that there would be little difference between suspension and termination. Business relationships and patterns of doing business in international trade cannot be turned on and off. Once a major interruption occurs, it tends to become more or less permanent. In my opinion, therefore, any proposal to suspend Romania MFN status should be evaluated on the same basis as a proposal to terminate that status.

Such an occurance would be bound to encourage a reversal in Romania's policy of directing a majority of its world trade to Western countries, including the United States. With this reversal would come a significant decline in our ability to influence events in Romania, in particular in the field of human rights. If we are pragmatic, we must ask ourselves what would then be likely to occur in the lives of those who hope to obtain permission to emigrate and those who seek improvement in their religious freedoms.

It is obvious that the critics of Romanian behavior in the area of human rights believe sincerely that they are acting in the best interest of the Romanian people when advocating suspension or termination of Romania's MFN status. Experience proves, however, that such action would inevitably result in material damage to the very people they are trying to protect.

On behalf of the Economic Council, I greatly appreciate the opportunity to espouse these views. We are grateful to you, Mr. Chairman, and the members of this Subcommittee for your attention. We respectively urge you to support the President in his decision to renew MFN for an additional twelve month period. Thank you.

SUMMARY OF

STATEMENT ON THE MOST-FAVORED-NATION TARIFF STATUS FOR ROMANIA

I am Milton Rosenthal, retired Chairman and Chief Executive Officer of Engelhard Minerals and Chemicals Corporation. Since 1975, I have served as the U.S. Chairman of the Romanian-U.S. Economic Council. It is in this latter capacity that I am appearing today in support of the renewal of most-favored-nation (MFN) tariff treatment for Romania.

MFN has provided the framework for a stable growth in trade between the United States and Romania. Because of the strong business relationships established in the 1970s, U.S. companies are well positioned to benefit from Romanian import requirements during the remainder of this decade.

Beyond the commercial sphere, MFN has been an effective tool for the United States in its dealings with the Romanians in the political field. In return in part for MFN, the Romanian Government has permitted significant numbers of its citizens to emigrate to the United States, the Federal Republic of Germany and Israel.

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